The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

How China Is Affected by Japanese Army's Latest Mutiny

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SATURDAY, MAY 16, 1936 VOLUME 76, NUMBER 11

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China Weekly Review

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May 13, 1936

Stock Exchange— Business Done:-
Total Volume: 600,000 Shares

1935-36 High	1935-36 Low	Div. $ per sh.	STOCKS	Last Sale May 11	Last Sale May 12
13¾	4¼	0.10	Adams Express	10½	10½
149⅝	110	4.00	American Can	128½	129
39½	20¼	0.60	Amer. Cyanamid "B"	35	34¾
9⅜	2	—	American & For. Power	6⅞	6½
42	14	—	American & Foreign Pwr. $7 pfd.	32½	33
27⅛	10½	—	American Radiator	19⅞	19½
177¼	98⅞	9.00	American Tel. & Tel.	155¾	155⅞
107	74¾	5.00	American Tobacco "B"	93	92¼
24⅞	7⅛	—	American Waterworks	19½	20¼
39⅜	8	0.25	Anaconda Copper	33	32¾
86½	35¾	2.00	Atchison, T. & S. Fe	69½	68½
53½	15	—	Auburn	30½	27¾
24	7½	—	Baltimore & Ohio	17	17⅛
63¼	21⅝	—	Bethlehem Steel	48½	48⅛
26⅛	6⅛	—	Boeing Airplane Co.,	17⅝	17⅜
15⅞	8⅝	—	Canadian Pacific Railway	12⅛	12
170½	45¾	—	Case, J. I.	147	146
47⅞	20¼	1.40	Chase National Bank	37	35⅝
74	35	3.00	Chesapeake Corp.	62	64
60⅝	37⅛	2.80	Chesapeake & Ohio	55½	55½
103⅞	31	4.00	Chrysler	92¾	91¾
21⅜	8⅝	6.00	Columbia Gas & Electric	16¾	16¾
24⅛	16½	2.00	Coml. Solvents	17¼	17¼
4⅝	0¾	—	Commonwealth & Southern (ord.)	2⅜	2½
36⅞	15⅞	1.00	Consolinated Edison	28½	28⅝
15¼	6½	0.25	Consolidated Oil	12⅛	11⅞
38½	15⅛	.87½	Continental Oil	31½	31½
78⅜	60	3.00	Corn Products	74½	74
73¾	17½	0.75	Douglas Aircraft	54⅜	54⅜
152	86⅝	3.60	Du Pont de Nemours	138	137½
24¾	3¼	—	Electric Bond & Share	17¼	17⅛
41½	20½	1.00	General Electric	35¾	35½
39¾	30	1.80	General Foods	38⅛	38
70⅝	26⅝	2.00	General Motors	63¼	63¼
50	15⅝	1.00	General Railway Signal	35	35
22	14⅜	1.20	Gold Dust	15¾	15¾
31⅝	15¾	—	Goodyear Tire & Rubber	23⅞	24
75½	44	1.00	Humble Oil	59⅞	58½
53⅛	22¼	1.00	Internation Nickel	44½	44½
19	5⅝	—	International Tel. & Tel.	13	13
41⅝	13¾	1.00	Kennecott	35¾	35¾
55⅛	31¼	2.00	Loew's Inc.	46	46
26⅛	18½	1.20	Lorillard	22¼	22⅜
103	55	1.00	Monsanto Chemical	86	86⅜
45	21¾	0.20	Montgomery Ward	39⅛	39⅜
41⅞	18½	1.00	National City Bank	33	31¾
25	12⅞	1.20	National Dairy Prods.	22⅞	23¼
34½	23⅛	2.00	National Distillers	29⅜	29⅜
14⅜	4⅞	0.60	National Power & Lt.	9⅝	10
42¼	12¼	0.10	New York Central	32⅞	32⅞
29¾	9	1.00	North American	24¼	24
39⅝	13⅛	1.50	Pacific Gas & Electric	33	33¼
56¾	19	2.40	Pacific Lighting	48½	48⅝
12¼	3¼	0.10	Packard Motors	9¾	9½
38⅝	17¼	1.00	Pennsylvania Railroad	29⅞	29½
49	13¾	1.00	Phillips Petroleum	41⅛	41⅛
48¼	20⅜	2.40	Public Serv. of N. J.	39⅝	39⅞
14¼	4	—	Radio Corporation of Amer.	9⅞	9¾
58⅝	43⅛	3.00	Reynolds Tobacco "B"	52⅛	52¾
56¼	22	—	Schenley	43⅝	43⅝
69⅞	31	2.00	Sears Roebuck	64⅛	64⅞
17	10⅝	0.40	Socony-Vacuum	12⅞	12⅞
28¼	10⅝	1.50	Southern California Edison	25¾	25½
38½	12¾	—	Southern Pacific	29¾	30
19⅛	12½	0.80	Standard Brands	15⅝	15¼
9¼	1½	—	Standard Gas & Electric	5⅝	5¾
69½	35¾	1.00	Standard Oil Co. of N. J.	58⅞	59½
71¾	58¾	3.80	Sterling Products	68¾	69
38¾	28¾	2.00	Texas Gulf Sulphur	35⅜	35½
14⅝	4⅞	0.30	Transamerica	12⅜	12⅜
88	44	2.00	Union Caride & Carbon	79	79¼
138¼	82½	6.00	Union Pacific	125	125
31⅝	9⅞	—	United Aircraft (New)	22	21⅞
20⅞	4½	—	United Airline Trans.	16¼	16½
8½	1½	—	United Corporation	5⅝	5⅝
19⅛	9¼	1.00	United Gas Improvement	14⅞	14¾
58	35⅛	2.00	U.S. Indus. Alcohol	45½	45½
34⅝	9⅛	—	U. S Rubber	28¼	28⅜
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The China Weekly REVIEW

Formerly Millard's Review

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Formerly Millard's Review

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

CHINA DRAFTS A CONSTITUTION—EIGHTH SINCE REVOLUTION

THE promulgation of the Draft Constitution of the Republic of China by the National Government on May 5 marked the end of two and a half decades of effort at constitution-making in China. The new document constitutes another important milestone in China's fight for constitutionalism—one of the major objectives of Dr. Sun Yat-sen's forty-year struggle for a modern democratic state. Since the founding of the Republic by Dr. Sun, no less than seven constitutions—or documents purporting to be such—have been produced, including the "General Plan for the Organization of the Provisional Government" of 1911, "The Provisional Constitution of 1912," Yuan Shih-kai's "Constitutional Compact of 1914," Tsao Kun's "Constitution of the Republic of China of 1922," and Tuan Chi-jui's "National Constitution Draft of 1925." Due to internal political complications and their inadaptability to China's needs, all failed to win recognition and support. Except for the present "Provisional Constitution for the Period of Political Tutelage" promulgated by the National Government in Nanking in 1931, China is still without a fundamental law to guide its destinies.

Under the presidency of Dr. Sun Fo, the Legislative Yuan has during the past three and a half years done much in legislation and in modernization of China's codes. But by far the most important of the Yuan's work was the completion of the draft of a permanent constitution for China, which is due for consideration and expected enactment at the forthcoming People's Congress on Nov. 12 next. In the preparation of the draft which has extended over a period of more than three years, many Chinese political leaders and jurists have participated and made important contributions. Chief credit in this connection goes to Dr. Sun Fo, Chairman of the Constitution-Drafting Committee and Dr. John C. H. Wu, who, as vice-Chairman of the Committee, was responsible for the preliminary draft, which has

since become known as "The John Wu Draft." This preliminary draft formed the basis on which the Final Draft recently promulgated by the National Government was completed. Throughout the work of drafting, Dr. Wu, under the guidance of Chairman Sun Fo, took a leading part in its revision and in bringing the Draft to its final form.

In the Final Draft, there are several important changes as compared with the previous draft, which are deserving of notice. First, the power and position of the President of the Republic have been enhanced and strenghtened by the provisions that the President is empowered to proclaim, when occasion demands, emergency orders and impose emergency measures and that his term of office is extended from four to six years. These provisions were considered necessary by China's leaders in view of the conditions of the country, which it is felt require firm and concentrated authority and political stability. Secondly, the Five-Power System of government as advocated by the late Dr. Sun is preserved. In the previous draft, it was provided that the Presidents of the Examination and Judicial Yuans were to be appointed by the President of the Republic with the advice and consent of the Legislative Yuan. The Final Draft provides that they are to be appointed by the President without reference to the Legislative Yuan; thus, the independence of each of the five Yuans is safeguarded. Thirdly, in recognition of the conditions of the country where literacy among the people is not considered to be sufficiently advanced to enable them to exercise control through suffrage, a transitional measure has been provided for in the Draft to the effect that half of the members of the Legislative and the Control Yuans are to be elected by popular vote at the People's Congress and the other half appointed by the President of the Republic at the instance of the Presidents of the two Yuans. In the former draft, all members of the two Yuans were to be elected by the People's Congress.

The success of the present Draft Constitution must depend on the turn of political events in the country. Barring unforeseen circumstances, it probably will be adopted at the People's Congress with little modification. There is hope that after its formal enactment at the People's Congress, the Constitution will be given full support, thus ushering in Constitutional Government in the country. An orderly constitutional regime will have important effects on China's political situation and with the unification and consolidation of the state under one central rule, it will not only facilitate internal political reform but also tend to strengthen China's position in coping with her present grave crisis.

It is encouraging, in these days of dictatorships and scrappings of treaties and constitutions, that China should be striving for a permanent constitution and should be actually engaged in the drafting of such a document when other nations, particularly her near and troublesome neighbor, Japan, is engaged in the wrecking of her constitution which brought modernization and progress but which her present-day militarists consider too cramping for their ambitious programs of imperial expansion.

Japanese Pressure Responsible for Farcical "Confessions" in Nakayama Case

THE liberality of Chinese courts of law with respect to obviously perjured testimony received emphasis in the trial now proceeding in the First Special District Court of Shanghai which has arisen from the murder on Darroch Road last November 9 of Hideo Nakayama, Warrant Officer of the Japanese Special Naval Landing Party.

"Shao Kwangtung," star witness in the case, has now told three different stories of the circumstances in which the Japanese marine is alleged to have met his death and the total evidence has become such a maze of contradictions that the case has degenerated into an utter farce. Not a single solid and reliable witness has yet testified and none of the testimony which has been given has received corroboration. In almost any other country the case would be dismissed and the principal witness arraigned for perjury. But Chinese courts are subject to Japanese pressure and they will not always take the logical course where a Japanese issue is involved. Hence the Shanghai public is likely to be regaled with more of the ridiculous "evidence" which has featured the proceedings so far, particularly since it is obvious that the Japanese are determined to press the case to a conclusion satisfactory to themselves if there is the least possibility of doing so.

At the first session of the trial on May 1 there were two defendants. Yang Wen-tao, an employee of the China Navigation Company, was charged as the actual killer of Nakayama, while "Shao Kwangtung," an habitue of the Hongkew underworld, was arraigned as an accomplice. It was the second defendant who implicated the first, stating in his evidence that he had accompanied Yang to Darroch Road in the night of November 9 and there saw Yang fire the shot which killed Nakayama. He also implicated a Korean known as "Jack," who is being held by the Japanese Con-

sular Police and has not yet testified. Since then he has implicated another Chinese.

The credibility of "Shao Kwangtung's" evidence at the first session of the trial was discussed in the last issue of *The Review*. On May 6 another session of the trial was held and "Shao Kwangtung" retracted the story told at that first session only five days previously. Declaring that Yang Wen-tao had had nothing whatever to do with the killing of Nakayama, he stated that he ("Shao Kwangtung") had fired the fatal shot and went on to disclose the motive which he said had led him to commit the murder. This alleged motive doubtless proved pleasing to the Japanese, whose sole concern seems to be to disprove the common belief that Nakayama was slain by one of his own countrymen and not by a Chinese, as the Japanese would like to prove.

"Shao Kwangtung" told the court that he had desired to kill a Japanese because of what the Chinese people had suffered at the hands of Japan since September 18, 1931, when the seizure of Manchuria began. His original desire was to kill a high Japanese official, he said, but on November 9 he only met a Japanese marine and so killed him instead.

This confession caused surprise not only to the judge and police in court, but also to "Shao Kwangtung's" own attorney. It not only flatly contradicted the story he told in court May 1, but another story which he had told at the Central Police Station while on remand between May 1 and May 6. Paul Y. Ru, Assistant Municipal Advocate who is conducting the prosecution, retailed this latter story, which was to the effect that at least two meetings had been held of a Cantonese society known as the Ding Nyi Yah Hui to discuss "the proposed murder of a Japanese." Yang Wen- tao, originally accused by "Shao Kwangtung" as the actual slayer of Nakayama, was head of this society, to which "Shao Kwangtung" said he also belonged. Two Koreans had desired to join the society but were not admitted. This story, also doubtless pleasing to the Japanese, was, however, promptly repudiated as false by "Shao Kwangtung" when questioned by the judge. He told the story at the police station, he said, because he was afraid of the police and went on to affirm that the pistol used to kill Nakayama, and the hollowed-out book allegedly used to conceal it, were both his property.

At this stage of the proceedings a defense witness named Chang Sheng was introduced by Keh Shao-chi, Yang Wen-tao's lawyer. Yang, it will be recalled, vigorously protested his innocence of the Nakayama murder at the first hearing in Canonese society known as the Ding Nyi Yah Hui the case. He declared that he was in a house on Urga Road when the murder occurred and had two witnesses to substantiate this alibi. Chang Sheng's evidence tends to support Yang's contention that he has been made the innocent victim of a police frame-up, for he told the court that two other men, Cheng Wei-ming and Tseng Yuen, had approached him and asked him to act as a witness to implicate Yang as the murderer of Nakayama in order that they might collect the police rewards of $12,000 offered for the apprehension of the murderer.

Reference was then made to the mysterious Korean "Jack," implicated as the actual instigator of the Nakayama killing in "Shao Kwangtung's" statement at the first hearing of the case on May 1. The real name of this man, who is being held by the Japanese Consular Police, is Han Chi-liang, according to the Assistant Municipal Advocate. Han, the latter told the court, was unable to appear to give evidence, but he had told the police that he knew "Shao Kwangtung." He denied, however, having taken any part in the killing of Nakayama. There is more than a suspicion that this man has undergone such severe beatings in the Japanese Consular jail that the Japanese did not dare to produce him in court.

An adjournment of the case for two weeks was ordered by the court, but two days later, on May 8, a third Chinese, also implicated by "Shao Kwangtung," was arrested in the Continental Ballroom on Ningpo Road and brought to court the following morning. His name was given as Chow Sha-yung, alias Ta Chow. "Shao Kwangtung," once again proving his versatility as a police witness, told the court that Chow was the man whom Yang Wen-tao sent to the Moon Palace Cabaret to summon him to meetings of the Dong Nyi Yah Hui at which plans to murder a Japanese were discussed. Modifying his earlier "confession," to the effect that he alone was responsible for the killing of Nakayama, he again implicated Yang Wen-tao and declared that this man was the master mind of the whole plot, while Chow was Yang's assistant.

Those who have followed the proceedings so far in this case are doubtless asking how much longer this judicial farce, shot through with perjury and strongly tainted with frame-up methods, is to be allowed to continue. The most obvious answer at the moment would seem to be that it will go on until a conclusion satisfactory to the Japanese is reached, since the Shanghai Municipal Police, who are in charge of the prosecution, show no disposition to drop it. There may, however, be some interesting developments if and when the Korean "Jack" is brought to court to testify.

Check-Up Is Made on Foreign Staff in Customs and Salt Gabelle

As a preliminary measure for the compilation of statistics concerning the condition of foreign employes in Chinese Government service, the Ministry of Industry has drawn-up a questionnaire to be filled in by members of the foreign staffs in the Customs and Salt Services. Copies of the questionnaire, it is understood, were forwarded to the Customs and Salt authorities through the Ministry of Finance for filling in.

China Will Be Fundamentally Affected by Japanese Army's Latest Mutiny

BACK in 1590, Hideyoshi, Nippon's earliest imperialist, served an ultimatum on the Korean King, demanding that the latter give him aid in waging war on China, which he intended to "roll up like a bamboo curtain."

When the king showed a "lack of sincerity" in complying with Hideyoshi's wishes, the latter gathered 200,000 samurai, loaded them into junks, and sailed for the Korean shores. This invasion Admiral Yi Sunsin, who commanded the Korean Navy, repelled by constructing a copper-lined warship, which played havoc with the Japanese fishing smacks.

Seven years later Hideyoshi returned to Korea, this time escorted by armored battleships of his own. In the ensuing battle Admiral Yi and the commander of the Japanese navy, both of whom incidentally were Christians, perished with their ships, although the invaders succeeded in landing in Korea. In a battle with Chinese and Korean troops in 1598, the Japanese scored a decisive victory, killing—so their records say—tens of thousands of their adversaries.

Hideyoshi's death in bed six weeks before this battle saved China from her first taste of Nipponese aggression. The samurai returned home to their castles and feudal quarrels, leaving China alone for the next 300 years.

As soon as Nippon consolidated her internal position and learned from the "foreign devils" the ABC's of gunnery and military tactics, her uniformed samurai had once again turned to China. They attacked China in 1898; fought Russia on the Manchurian plains in 1904-05 for a division of Oriental spoils; fought Germany in 1914 to eject her from Kiao-chao; attempted to occupy Shantung again in 1927; seized Manchuria in 1931; razed Chapei in 1932; captured Jehol a year later; assumed full control of Hopei and Chahar in 1935; and are now well on the way to annexing the entire Inner Mongolia.

***

These conflicts, gradually increasing in frequency and intensity, had not only become the major factor in Nipponese imperial politics, but have also tended to place the Army at the helm of the state. If a decade or two ago, liberals could be chosen foreign ministers, it cannot happen now. The main qualification of diplomats has become their willingness to co-operate with Hideyoshi's uniformed descendants in exacting increasingly important concessions from China.

The progressive stages in the "strengthening" of Japan's China policy—under the expert guidance of the Army—are best illustrated by the recent foreign ministers:—Yoshizawa, an exponent of conciliation; Hirota, whom military pressure and his own ambition led to formulate the three-point program; Arita, who seeks Oriental peace, with Japan as "the chief stabilizing force."

With the Foreign Office tamed and ready to do its bidding, it is the Army which today shapes and presents to the world Nippon's foreign policies. Therefore, any changes in the control of the Army immediately find their reflection in Japan's relations with other powers. Thus it is that Captains Nonaka's and Ando's charges, in assassinating a few age-worn "elder statemen," perhaps unwittingly shaped Nippon's diplomatic course for years to come.

The major sensation of the weeks that followed the mutiny of Feb. 26 was provided not by the retirement of the "war horses," like Generals Araki, Mazaki, Hayashi and Minami, but by the selection of their successors. These new appointees:—Umetsu, Nishio, Itagaki, Isogai, Okamura, Kita, Tashiro,—all had one significant thing in common. They have all either served in China in responsible posts or have dealt with Chinese problems from the Army and General Staff headquarters in Tokyo.

Their appointment served as an unmistakable indication of the direction in which the Nipponese imperial winds will blow in the near future. In the past five years, Japan's policies on the mainland have been made by the Kwantung Army generals and the resident officers in China. These policy-makers have now been transferred to Tokyo, where they will have an unlimited field for their activities. Let us, therefore, have a look at their past records to see what is in store for China:

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Lieut.-Gen. Umetsu, appointed over the head of many an abler officer to the important post of Vice-Minister of War, gained fame last year, when as commander of the Japanese forces in North China, he engineered the Ho-Umetsu agreement, which, complemented by the Tangku Truce Agreement, placed the northern provinces under Nippon's vassalage.

It was also Lieut.-Gen. Umetsu who paved the ground for the creation of a popular "craving" for autonomy in the north. This yearning his colleague, the world-famous Lieut.-Gen. Doihara, later translated into Mr. Yin Ju-keng's cozy little paradise of smugglers, within the demilitarized zone.

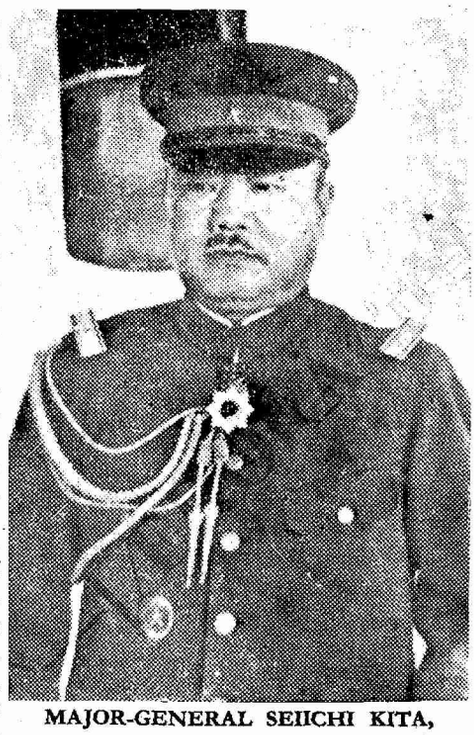
Lieut.-Gen. Nishio, appointed assistant chief of the Army General Staff, formerly headed the Kwangtung Army's staff. His new post is perhaps the most important policy-making office in

Nippon, for the chief of staff, Prince Kan-in, is noted more for his well-groomed moustache, than for his intellectual attainments.

Together with Generals Doihara, Itagaki, Suzuki and a few others, Lieut.-Gen. Nishio has for years formulated the Kwantung Army's China policy, which in every instance Tokyo was forced to adopt as its own. To this group must go the credit for the occupation of Jehol, the virtual subjugation of North China, the continuous turmoil on "Manchoukuo's" frontiers with Soviet Russia and Outer Mongolia, and the gradually materializing plans for the "manchoukuozation" of Inner Mongolia.

As chief of the Kwangtung Army's staff, Lieut.-Gen. Nishio has been in immediate touch with events on Nippon's three fronts—North China, Outer Mongolia, Siberia. His appointment to Tokyo, therefore, signifies the growing importance of these areas in the Army's imperial designs. The current exchange of fine sentiments between Tokyo and Moscow indicate that China will hereafter form the object of the Army's attentions.

Lieut.-Gen. Nishio's colleagues and "brain-trusters" Generals Itagaki and Doihara have also been promoted. Major-General Itagaki was made lieutenant-general and chief of the Kwantung Army's staff. Major-General Doihara, better known as the "Lawrence of Manchuria," was made lieutenant-general and transferred to Tokyo before the mutiny of Feb. 26. The fact, however, that he is still remaining attached to the First Division indicates that he is being groomed for bigger and finer Oriental intrigues, of which he is undoubtedly Japan's ablest engineer.



MAJOR-GENERAL SEIICHI KITA,
Japanese Military Attache in Shanghai

With Lieutenant-Generals Nishio and Itagaki formulating policies in Tokyo and Changchun respectively, the central Army authorities and the Kwantung Army will for once act in concert. This concert, one does not doubt, will please few spectators in this part of the world.

The Army's administrative machinery is controlled by three officers: the War Minister; the Inspector-General of Military Education, and the Director of the Military Affairs Bureau of the War Office. The importance of these posts has been well demonstrated by the fatal slashing of Lieut.-Gen. Hagata, Director of the Military Affairs Bureau, last August, and by the riddling of Gen. Watanabe, Inspector-General of Military Education, with bullets by the mutineers on Feb. 26.

Into these ranks of potential victims of patriotic passions stepped Major-General Isogai, former military attache to the Japanese Embassy in China, appointed Director of the Military Affairs Bureau. During his year's sojourn in Shanghai, Major-Gen. Isogai endeared himself to newspapermen, whom he supplied with innumerable "banner" stories. As the Army's spokesman here, Major-Gen. Isogai has always been far ahead of Tokyo and even Changchun. His call for the "removal" of Gen. Chiang Kai-shek brought responsive echoes from the War Ministry and the Kwantung Army, as did his startling allegations of Nanking's secret agreements with the Chinese Communist armies. When he and former Ambassador Ariyoshi visited Nanking early last year, Major-Gen. Isogai,—so reliable reports averred,—shouted at Gen. Chiang and threatened him with bodily harm. Mr. Ariyoshi's more diplomatic ways must have formed a pleasant contrast to the eyes and ears of Chinese officials.

Outside of his ambition, vigorous views and an undeniably thorough knowledge of Chinese problems, Major-Gen. Isogai has few virtues. His appointment to one of the three highest administrative posts in the Army can, therefore, serve only as a demonstration of the Army's search for officers for whom China is no riddle.

Major-Gen. Kita, appointed to succeed Major-Gen. Isogai in Shanghai, formerly headed the China section of the General Staff. His first bid for international fame was made late last year, when he made a spectacular dash through China with instructions to Nipponese military officers stationed in this country. He celebrated his departure for his new post last month by issuing an anti-Nanking innuendo, worthy of his predecessor. On his arrival here, he followed the usual Army practice of preceding the new ambassador to Nanking, to prepare the psychological ground for whatever demands the diplomat might serve. Later, according to Japanese reports, he will call a conference of military resident officers to examine Japan's policy towards China.

The Japanese Army operates in China through three branches, independent of each other and often of Tokyo. These are the Kwantung Army, stationed in Manchuria but forever paternally interested in China; the Japanese Garrison in North China, soon to be trebled to about 10,000 men; and the military attache's office in Shanghai.

In the past, and especially last year, each of these branches pursued its own policy, paying little heed to what its other two rivals were doing. This situation came to a head late last summer, when Major-Generals Isogai, Tada and Doihara rose up in arms, accusing each other of trespassing upon their private Chinese pastures.

To preclude the possibility of a recurrence of such domestic squabbles, the War Office deprived the Kwantung Army's Special Service Division,—formerly headed by Major-Gen. Doihara,—of the right to meddle in North China affairs. Simultaneously it created a separate special service division (an espionage section) attached to the Japanese Garrison in Tientsin. Today Major-Gen. Miura heads the Manchurian secret service, while the talkative Major-Gen. Matsumuro reigns over the secret service agents in North China.

The Army also raised the status of the North China Garrison, making its commander,—a lieutenant-general,—a direct appointee of the Emperor. Lieut.-Gen. Tashiro, who was military attache in Shanghai during the hostilities of 1932, was Emperor Hirohito's first choice for the post.

Lieut.-Gen. Tashiro, picked by the Army for his bellicosity and knowledge of China, is destined to play a major role in the forthcoming Oriental drama. As a senior Japanese officer in Nippon's new domain, he will undoubtedly be consulted in the formulation of policies. On his shoulders will also rest the responsibility for the "joint" Sino-Japanese anti-communist campaign in North China, so ardently sought by the Japanese Government. His record in Shanghai is a proof his future activities will bring glory both to him and the Imperial Army.

These are the men who will shape Nippon's policies towards China and Soviet Russia. Their past achievements and their present utterances hold little promise of peace to this country. Other developments of the past few weeks indicate that the Army is perfecting the machinery for the impending high-gear action.

The first of these significant developments was the selection of Mr. S. Kawagoe as Ambassador to China on the advice of the Army. Mr. Kawagoe's chief claims to frame lie in life-long service in China; his belief that the best manner to deal with China is to break her into small segments; and his willingness to watch belligerence with his uniformed colleagues.

North China still remembers his ultimatums to the Chinese authorities last winter, when he clothed in a diplomatic garb the admittedly undiplomatic actions of the Kwantung Army. Mr. Kawagoe might have been intentionally severe, in an effort to make up for his past differences with the Army, dating back to his service in Changchun. Accepted by the Chinese Government only because the latter (as a Chinese official confessed to *Domei*) is in no position to challenge the desires of Tokyo, Mr. Kawagoe is certain to be harsh and inflexible in his forthcoming negotiations with the Nanking Government.

The other significant development in Tokyo was the inauguration of weekly informal meetings among the Foreign, War and Navy Ministers, to "correlate" their policies towards China and Soviet Russia. The inauguration of these conversations was an open admission on the part of Gaimusho of its utter surrender to the charms of the military.

Thus, the Army is ready. Its policies will now be formulated by men of proven knowledge of China and of undoubted readiness to carry out Japan's vested mission in East Asia. Its forces in Manchuria and North China have been or shortly will be increased. A man of its choice has been placed in the Embassy, and its policies will now be voiced by Gaimusho spokesmen. What Hideyoshi failed to do in the XVIth century, his uniformed descendants are ready to, and undoubtedly will, carry out today.

Mussolini Repudiates League—Annexes Ethiopia!

THE little that was left of the League of Nations after the Japanese had taken possession of Manchuria has been shattered by the conquest of Ethiopia by Mussolini's legions. The Japanese at least made a pretence that they were merely supporting an "independence" movement on the part of the "Manchurians." Mussolini is employing no such subterfuge. In defiance of the League of Nations, and notwithstanding sanctions, which at best were only half-heartedly applied, Mussolini disdained any idea of setting up a local puppet regime. He simply declared that Ethiopia is conquered territory and is hereafter to be considered as part of the Italian realm. The "Manchurians" almost ran out of the country through the gates which the Japanese left open; the Ethiopians fought heroically. But the practical result has been the same. China and Ethiopia both relied on the League of Nations, but that is all the good it did them. In both instances the money which they had "invested" in the League might have been put to better use if they had spent it for more up-to-date war weapons. The complete story of how the Italians were able to hack their way through in such a short space of time has still to be told. For one thing it has to be admitted that Anglo-Saxon estimates either of Mussolini's astuteness or of Italian prowess were greatly under-estimated. Some of the correspondents had expressed the opinion that the Italians were too much interested in the proverbial wine, women and song, to fit them to for an arduous campaign in such an inhospitable country as Ethiopia. Yet when the Italian Army entered Addis Ababa the *United Press* correspondent telegraphed that the occupation was "a demonstration of orderliness and efficiency." The Italians also surprised the world by the efficiency of their Engineering Corps, building bridges and highways as they went with almost incredible speed. A large proportion of the victories were probably gained by the use of poison gas, several hundred tons of which were openly declared and shipped through the Suez Canal. Minor sidelights on the occupation of the Ethiopian capital were that the British, French and American Legations there—representing countries all of which were generally unsympathetic to the Italian aggression—caught in the throes of wild rioting by drunken Abyssinian soldiers following the flight of the Negus, almost frantically suggested that the Italian Army should speed up its march into the city so as to preserve order. In the case of the American Legation, owing to the fact that the telephonic communication had been severed by the rioters, it wirelessed a message intended for the British Legation in the same city, first to Washington, whence it was relayed to London and thence to the British Legation in Addis Ababa. That there was a certain amount of American sympathy with the Italians may be judged from the fact that General Sherrill, soldier and diplomat, formerly representing the U.S. at Ankara (Turkey) telegraphed to Mussolini: "I congratulate you on the magnificent victory which you have achieved towards suppressing slavery, in the same way as our President Abraham Lincoln had done."

The Italian incursion into Ethiopia has upset international politics to even a greater extent than the Japanese occupation of Manchuria. There is considerable evidence to show that the Japanese were induced to withdraw from Shanghai in 1932

on the promise from some of the major European Powers that in actual practice they should have more or less of a free hand in Manchuria. After all, Manchuria was pretty far away. But the capture of Ethiopia by a revitalized European nation means much more than the occupation of a rugged, mountainous country. It is a strategic location of the first magnitude. That is the reason why the nations of the world, America included, maintained Embassies there. Britain's and France's possessions in Africa are threatened in a way that they have not been in modern times. The Italians now control Lake Tsana, one of the chief sources of the Nile—the very lifeblood of the Soudan and Egypt. The railway from Djibouti, in French Somaliland, to Addis Ababa, was built by the French, but the Italians have calmly occupied that part of it which runs within Ethiopian territory. Despite Mussolini's assurances, the fact is that Britain's prestige, and particularly its hold on Egypt, has been greatly weakened, and with that its hold on the Suez Canal. The Rome *Tribuna* commented that Britain, by invoking the 1906 Treaty and others, has been trying to make a profit out of Italy's hard-won victory, but Italy would not make any political concessions either with respect to the Djibouti Railway in the case of France or with respect to Lake Tsana in the case of Britain.

The annexation of Ethiopia by Italy was announced by Signor Mussolini in Rome May 9. The Empire of Ethiopia, Il Duce declared, has been placed under the full and entire sovereignty of Italy by an official decree, and King Victor Emanuel has assumed the title of Emperor of Abyssinia. Marshal Pietro Badoglio, who carried the Italian campaign in Ethiopia to a successful conclusion, was appointed Viceroy of Abyssinia. The Ethiopian Emperor has in the meantime taken refuge in a monastery in Jerusalem. In an interview he confirmed that the defeat of the Ethiopians was largely due to the use of poison gas by the Italians. There has been little comment from Italy on this point except that in a note to the League Committee of Thirteen the Italian Government denied that the Committee is competent to deal with the question of the interpretation of the poison gas protocol of 1925 on the ground that this problem has no connection with the League of Nations.

The League of Nations is doing its best to retain its self-respect. The Council at a meeting on May 11 decided to maintain the Ethiopian question on the agenda, despite the vehement protests of the Italian delegate, Baron P. Aloisi. Immediately after the ruling, the members of the Italian delegation, headed by Baron Aloisi, walked out of the Council Chamber as a demonstration of their disapproval of the Council's action, and also of the presence of Walda Mariam, the Abyssinian representative. The next day the Italian delegation left Geneva. Simultaneously Signor Mussolini warned the League that it must consider the Italo-Ethiopian question a closed issue if Geneva desired Italian co-operation in Europe. The League Council May 12 decided to uphold sanctions against Italy and will consider the entire matter on June 15.

Stanley Baldwin, British Prime Minister, declared in the House of Commons May 12 that the Ethiopian Minister in London, A. W. Martin, is recognized by the British Government as an accredited representative deriving authority from Emperor Haile Selassie. He also stated that Sir Sidney Barton, British Minister to Abyssinia, had been instructed to proceed on a basis that the Italian military authorities shall be accorded recognition to which an army of occupation on enemy territory is entitled under the principles of international law.

The American Government has adopted the same course with regard to the Italian occupation of Ethiopia that it did in the case of the Japanese occupation of Manchuria—or to go back further, to the Russian occupation of Harbin—non-recognition. For the time being, America's action will have no practical result. It may, however, be noted in passing that America's protest against Tsarist Russia's encroachment in Harbin, was justified in the course of time. So, it may turn out in due course both with Manchuria and Ethiopia. The fact that Americans in Ethiopia had to accept protection from the British was brought up in the discussions in Congress. Secretary of State Hull explained that the despatch of United States warships and troops to Ethiopia, had been considered by the United States Government but the idea was rejected as it would have subjected the government to the charge of flagrantly violating the Neutrality Act and would undoubtedly, and rightfully, have met with vigorous protest from the American people.

Japan, in its attitude on the developments in Ethiopia, has acted with considerably adroitness—in fact, must do so, or she will find herself "put on the spot." As the self-appointed protector of the non-white races she ought to be supporting the Ethiopians, but as a matter of practical politics the Japanese must be sympathetic to the Italians, because they are birds of a feather in aggression and in defiance of the League of Nations. Japanese recognition of the new status of Ethiopia, proclaimed a part of the Italian Empire, will await the clarification of Rome's policies towards the newly-acquired territory, Japanese diplomatic quarters intimated May 11. The primary concern of the Japanese Government, they indicated, lay in the safeguarding of Nipponese interests there. Recognition, they added, was "a mere

formality." In seeking to safeguard her investments, Japan will co-operate with other powers, it was further said.

The *Tokyo Asahi* said the future situation in Africa is fraught with various dangers, which can hardly be realized by the peoples of the Far East. The journal pointed out that collapse of the League of Nations and possibly an interruption of the British line of communication with the East might be the immediate consequences of the annexation of the African country.

Kawagoe Says Japan's Relations With Russia Vital in China Policy; Hu Han-min Dies in Canton

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Kawagoe Coming to China in June to Assume Ambassadorship.**
2. **Tada Says Japan Has No Idea of Aggression on China.**
3. **Sino - Japanese Parleys Over Swatow Case Deadlocked.**
4. **Gen. Feng Denies Advocating Armed Resistence Against Japan.**
5. **Sung Cheh - Yuan's Loyalty to Nanking Unquestionable, Says Lu.**
6. **Hu Han-min, Veteran Kuomintang Leader, Dies at Canton.**
7. **Gen. Yen Resigns Following Failure of Guarding Shansi Against Reds.**
8. **Ten-Province Administrators' Conference Opens at Nanking.**

The projected readjustment of Japan's relations with Soviet Russia will have "a vital bearing" on Nippon's policy towards China, declared Shigeru Kawagoe, Ambassador-designate to China, on his arrival at Tokyo May 8 from Tientsin, where he served as Consul-General. Japan's China policy, he told *Domei* in an interview, will also be guided by a desire "to regulate" the relations between China, Japan and "Manchukuo." Mr. Kawagoe's presence in Tokyo, *Domei* learned, will be taken advantage of by the Foreign Office to reformulate Japan's Oriental policies. The Ambassador's instructions will be drafted at a series of conferences of high Gaimusho officials, who will make a thorough examination of Japan's present relations with China and Soviet Russia and study the current developments in China and Outer and Inner Mongolia. Questioned on the reports of the secret Sino-Soviet pact, Mr. Kawagoe replid that "if the reports are true, they only demonstrate China's traditional policy of playing one power against another." "We must strive," he added, "to lead China to dispense with her faulty understanding of our policies and make her realize the importance of Sino-Japanese co-operation in the stabilization of the Orient." Economic factors, according to Mr. Kawagoe, were responsible for last year's incidents in North China. It must be emphasized, to permit a better appreciation of the situation in the North, that Japan was forced to remove political pressure upon her economic pursuits. "As a result of this action, Japan's economic activities in North China have been brought back to the beaten track, giving promise of further development," he continued. Mr. Kawagoe did not believe that the Communists operating in the southwestern part of Shansi would succeed in penetrating the eastern part of the province. "If they do," he added, "the Hopei-Chahar Political Council will open a punitive campaign against them. If the situation becomes serious, the Japanese Garrison in North China cannot ignore it." There are "not a few" Chinese, the Ambassador said, who appreciate Japan's political and economic power, and "believe in the inevitatbiliy of relying upon Japan." He regretted the presence of "some politicians" who still "misunderstand" Japan's policies. "China at present lacks scientific knowledge," he concluded. "With economic and technical guidance, China, I believe, can confidently expect future progress and maintenance of friendly relations with neighboring nations." The Ambassador-designate will leave for his post early in June.

Communist penetration of Shansi Province was termed a "serious menace" to the peace of North China by Mr. Kawagoe, as he arrived at Moji on his way to Tokyo on May 7. Mr. Kawagoe, however, minimized the danger of a Red invasion of Hopei Province. The Communists, he said, would become a grave threat to that part of the country only if they should effect contact with the bandit groups now in Honan Province. Referring to the extensive political changes that took place in North China during his term of office, Mr. Kawagoe said that they were mostly designed to "brighten up the atmosphere by eliminating political terrorism and bringing about a unification of various political influences with a view to bringing about economic co-operation with Japan."

At a joint meeting held in Canton by the various public organizations on May 1, it was decided that a manifesto be issued expressing their opposition against the appointment of S. Kawagoe as the new Japanese Ambassador to China.

A stirring appeal for a united front against Japanese aggression was made by Chou Lu, member of the Central Executive Committee and Chancellor of Sun Yat-sen University at Canton on May 4. "Japan is using her entire national resources in invading and exploiting China," Mr. Chou said. "To cope with Japanese menace, China should also exert national efforts. We should have only one object in mind, namely resistance to Japan's aggression." Mr. Chou urged that during the present crisis, there should be no political complications hampering China's resistance to Japan. Mere talks of fighting the enemy are useless, he said, and concrete actions should be taken. Urging that all internal conflicts should cease, Chancellor Chou stated that the people must be aroused against foreign incursions, and when they are properly stirred up, the troops will be persuaded to fight even though their high officers are indifferent. "We should ally reciprocally with other Powers for a common cause," Mr. Chou continued. "This principle is laid down by Dr. Sun Yat-sen. Nevertheless we have to show our ability to fight first, otherwise it is foolish to expect that other Powers will fight for us while we do nothing. Mr. Chou objected to Sino-Japanese co-operation in suppression of Communists, because under this arrangement Japan can send troops to Kweichow, Yunnan and any other part of the country. This plan is but any other Japanese method to extend their influence on China, he said. China has many pacts with Japan in recent years, he recalled, and all of them are detrimental to China's interest.

TADA SAYS JAPAN HAS NO IDEA OF AGGRESSION ON CHINA

In his farewell reception for the Tientsin press on May 9, Lieut.-Gen. Tada, the retiring Commandant of the Japanese Garrison in North China, made an attempt to correct what he termed "misunderstandings" on the part of the Chinese people towards the Japanese policy. The Chinese people, Gen. Tada said, have all along entertained the opinions that Japan has embarked upon a policy of aggression in China and thus sought to interfere with the national unity of China. "But Japan has no such ideas," Gen. Tada stated, and adding the hope that the Chinese people would set their hearts at peace. China and Japan being great nations of the Orient, Gen. Tada said, the peoples of the two nations should co-operate whole-heartedly for the sake of maintaining the peace of the Far East. If both nations stand stubbornly against each other, Gen. Tada added, there would be no possibilities of Japan and China achieving the goal of mutual assistance and friendship. Concerning the question whether concrete plans have been reached for Sino-Japanese economic co-operation, Gen. Tada replied that he was not quite clear on the problem.

SINO-JAPANESE PARLEYS OVER SWATOW INCIDENT DEADLOCKED

Negotiations between the Chinese and Japanese authorities in Swatow for a settlement of the incident which occurred there in January, in which a Japanese Consular constable, Sumida, is alleged to have been killed by Chinese have reached a deadlock, reported *Reuter* from Hongkong on May 8. The Chinese Municipality maintains that the death of the victim was due to apoplexy, and, therefore, refuses to pay the compensation of $10,000 demanded for the family of Sumida. Although alarming rumors prevail in Swatow concerning the intentions of the Japanese, the Canton Government remains calm. Martial law persists in Swatow, but this is said to be a purely precautionary measure because of the uneasiness of the populace.

According to a *Lih Pao* report from Swatow, similar to the eve of the undeclared war in Shanghai, Swatow was in a state of great confusion in the evening of May 2. The situation was so tense that foreign residents of Swatow went to Haikuoshih under instructions of their Consular officials. All the Chinese shops closed their doors early in the afternoon and large numbers of people returned to their village homes, expecting serious trouble in Swatow city. In addition to the arrival of three warships in Swatow, the Chinese military authorities stationed large numbers of police and troops in the strategic points of the city. It appears that the Chinese authorities are ready to put up a strong resistence in case of attack from the foreigners, giving all the more alarm to the local populace. According to well-informed circles, the crisis was saved by the leaders of the Formosan business interests, who are seeking for business profits rather than colonial conquest.

Declaring that the Formosan businessmen are enjoying considerable sums of profit at the present time, when their imports are exempt from any tax, the Formosan business leaders appealled to the Japanese Consul-General at Swatow and the Japanese Naval authorities to stop any drastic action, which may cause serious complications and kill their business. Meanwhile, the Japanese naval officers, who have not obtained permission from their superior authorities, decided to postpone any drastic action to be taken in Swatow.

More than forty Japanese shops have been opened in Canton in the past month, according to a report in *Shun Pao* May 8. These shops are engaged in the selling of Japanese smuggled goods. Similar shops have been opened at Chenchen, Taliang and Shihchi, near Canton.

The Japanese plan of purchasing large tracks of land in Macao for the building of an aerodrome has failed, according to a report by *Hwalien News Agency*. The Chinese, who were planning to sell their land to the Japanese, have definitely rejected the Japanese offer, as a result of strong oppositions from Chinese organizations. The attempt of the Japanese to purchase land at the 5th district of Chungshan, Kwangtung was met also with strong oppositions both from the Kwangtung Provincial Government and the Pan-Pacific Aviation Corporation of America. It is reported that Japan has given up hope of building an aerodrome in Macao.

ANTI-JAPANESE MOVEMENT IN FORMOSA

Two Japanese policemen were killed on May 1 by scores of revolutionary Formosans at Fulicheh district in Formosa, according to a report in *Ta Wan Pao* May 10. These Formosans districbuted large quantities of anti-Japanese handbills, and retreated toward the Oli mountain before the arrival of Japanese troops. This incident of anti-Japanese in nature is causing serious anxiety to the Japanese authorities in Formosa. It is reported that more than ten Formosans have been arrested by the Japanese authorities as suspects of the incident.

To formulate concrete plans for the expansion of Japanese influence in South China, the Japanese Formosan Government has decided to call a conference in Formosa in the middle of June. Japanese Consuls-General in Foochow, Amoy, Swatow, Hongkong and Canton will attend the conference, according to *Chung Hwa Jih Pao*, May 11.

For the unification and reorganization of the many special service departments in Fukien, a high official of the Japanese Formosan Government has arrived in Amoy to direct the activities of the departments. Two persons, calling themselves Miao Chinshen and Shih Chin-hu have also arrived there recently. They declare that they are special representatives of the "Manchukuo" Government. These two persons are organizing a secret organization in cooperation with the Formosans. It is reported that large numbers of people have already joined the organization. Leaders of the Formosan residents in Amoy are planning to organize twenty new gambling houses in order to give work to the many unemployed Formosans, now concentrated in the city.

According to reports received at Canton, Japanese planes were seen flying along the coast of Fukien and outside Foochow during the latter part of April. On April 23, a fleet of more than 20 Japanese warships staged a manouver outside of Foochow.

Chengchow Jih Pao reported on May 5 that large quantities of Japanese ammunition have been shipped to Eastern Fukien through Tungshan. The Japanese are reported to be contemplating to create disturbances in Swatow and Chaochow by supplying the ronins with rifles and munitions. General Chen Chi-tang upon receipt of the report has dispatched two additional brigades to Tapu and Shaoping to strenthen the defense of Tungkiang, and, at the same time, has ordered the mayor of Swatow to take special precautions against the Japanese.

GEN. FENG DENIES ADVOCATING ARMED RESISTENCE AGAINST JAPAN

"Armed resistance against Japan has become inevitable," Gen. Feng Yu-hsiang, Vice-Chairman of the Military Affairs Commission, is quoted in the London *Daily Herald* on May 9 as having declared to the Nanking correspondent of that journal in an interview on May 8, reported *Havas*. The General is reported as advocating a determined anti-Japanese stand, including primarily a Sino-Soviet alliance, immediate cessation of the war against the Chinese Communists who are, he says, resolute enemies of Japan, and the grant of civil liberties throughout China. His programme also endorses, according to this report, extension of the Chinese patriotic and anti-Japanese movements, and the organization and arming of the masses of the Chinese population. Concerning the programme of H. Arita, Japanese Foreign Minister, recently enunciated before the Diet, regarding the readjustment of Sino-Japanese relations, including cooperation against the Communists, Gen. Feng is stated to have declared: that compliance with these demands "would make of China a Japanese colony . . . . The sole aim of every patriotic Chinese must be to seek means of resistance."

General Feng Yu-hsiang denied on May 12 the stateemnts attributed to him by the Nanking correspondent of the London *Daily Herald* and published in that journal on May 9. Replying to an enquiry from the Foreign Office concerning the matter, General Feng stated that the published report of the interview he had granted the correspondent did not agree with what he had actually said. He had been asked a number of difficult questions, but made no reply.

Investigations into the accuracy of a report quoting Gen. Feng Yu-hsiang, as stating that "armed resistance" against Japan was unavoidable, have not yet been started by Lieut.-Col. Tatsumi Amemiya, Japanese resident military officer in Nanking *Domei* reported May 11. The officer added that a thorough enquiry would have to be made before any diplomatic demarches with the Chinese government could be made in connection with the dispatch, said to have been based on an interview between Gen. Feng and the Nanking correspondent of the London *Daily Herald* on May 8. Any steps that may be taken on the basis of such an investigation would be made by the Japanese Embassy through regular diplomatic channels and not by himself Lieut.-Col. Ameimiya remarked.

SUNG CHEH-YUAN'S LOYALTY TO NANKING UNQUESTIONABLE, SAYS GEN. LU

Irrespective of whatever rumors that may have arisen, the attitude of Gen. Sung Cheh-yuan, chairman of the Hopei-Chahar Political Council, towards the National Government is one of determined support and of unquestioned loyalty. This is according to Gen. Lu Chung-lin, one of the former subordinate officers under Gen. Feng Yu-hsiang, who arrived at Tsinan, Shantung from Tientsin on May 11. Gen. Lu, who is a C.E.C. member and was recently appointed adviser to the Hopei-Chahar Political Council, informed Tsinan pressmen that his knowledge of Gen. Sung's attitude was gained in the course of several interviews he had with Gen. Sung recently in Tientsin. Gen. Lu is stopping over in Tsinan to see Gen. Han Fu-chu, Governor of Shantung, who formerly also served under Gen. Feng and whom he has not seen since 1928.

Definite plans of the so-called "cultural diplomacy" of Japan have been decided upon by the Cultural Department of the Japanese Foreign Office. According to these plans, a Japanese library will be established in Peiping at a cost of $60,000 and an applied science institute will be established in Tientsin and Tsingtao respectively at a cost of $200,000. In addition a special Mongolian Institute will be established in Pailingmiao at a cost of $100,000. The Mongolian Institute will study the political, economic, cultural, and historial conditions in Mongolia. Special experts and university professors of Japan will be sent to Tientsin, Peiping, Tsingtao and Pailingmiao to work in the various institutes.

In a public notice, the Japanese Consulate at Kalgan instructs all the Mongolians residing in that city to register with the Japanese Consulate, so as to give them protection in time of disturbances. Japanese officials of the Consulate have been sent to the Chinese schools ocassionally to inspect the text books used and to see whether or not they contain anti-Japanese teachings, reported *Sin Wan Pao* May 12.

According to a report published in a Chinese paper in Canton, it has been decided at a recent conference summoned by the Japanese consuls at Suiyuan that an invasion be launched into Suiyuan with Pailingmiao as the base of operations. The paper further reported that the notorious bandit leader Shih Yu-san has already arrived in the Suyuan border to make preparations for the invasion.

A large tract of land at Hsiaochan near Tientsin, measuring four million mow, which formerly belongs to the late General Chang Ching-yao, a warlord under the defunct Peking Government and has now been confiscated by the Hopei Provincial Government, will be auctioned shortly, according to a *Central News* report. The proceeds from the auction, which is estimated at $6,000,000, will be used for reconstruction and charity purposes. General Chang, it may be remembered, was assassinated by unknown gunmen in Peiping in 1934.

The newly created Communications Committee of the Hopei-Chahar Political Council was inaugurated on May 14. Chen Chueh-sheng, Managing Director of the Peiping-Liaoning Railway, has been appointed concurrently chairman of the new Committee.

The resignation of Lo Chia-heng as Special Commissioner of Foreign Affairs for Hopei and Chahar has been accepted by the Ministry of Foreign Affairs. His successor will be announced shortly.

Teng Hsi-cheh has been appointed by the Ministry of Justice as President of the Hopei High Court in succession to Shen China yi, who has been transferred to the post as Counsellor to the Ministry. Mr. Teng is seeking instructions from General Sug-Cheh-yuan, Chairman of the Hopei Provincial Government, preparatory to taking up the post.

ANNIVERSARY OF 21 DEMANDS OBSERVED IN NANKING

The 21st anniversary of the presentation of the notorious 21 Demands by Japan was observed in Nanking on May 9 at a memorial service at Central Party Headquarters. Yeh Chu-tsang, Secretary-General of the Standing Committee of the C.E.C., in an address said that in order to wipe away the national humiliation, we must make sustained, instead of spasmodic efforts. In the discharge of our duties, we must be faithful and energetic and, when the moment arrives we must also have the determination to sacrifice for the national welfare. Similar services were held in other parts of the country, including Kai-feng, Foochow, Sian,

Hankow, Canton, Kweiyang, Chungking, Nanchang, and Tientsin, according to reports received in Nanking.

MONGOLIAN COUNCIL TO BE REMOVED TO TEHWA

The fourth annual plenary meeting of the Mongolian Local Autonomy Political Affairs Council, which was opened at Pailingmiao on May 3 closed on May 5. Over 40 proposals were adopted, including measures for the prevention of the spread of Communism and relief of the victims of the recent snowstorms in Mongolia. In pursuance of the order of the Central Government for the removal of the seat of the Council from Pailingmiao (in Suiyuan) to Chahar province, a resolution was adopted to remove to Chia-pu-tzu in Tehwa Hsien, Chahar. Tehwa Hsien is a commercial center situated near the Chahar-Mongolian border.

According to a report published in the *Ta Kung Pao*, an independent government of Inner Mongolia is being organized by the Mongolian leaders. It is reported that Prince Yun will be appointed head of the new independent government while Prince Teh and Prince So will be appointed directors of the military and political affairs departments respectively.

Current reports that Prince Sol-lo-mu-la-pu-tan, influential leader of Inner Mongolia, has been assassinated are denied in a telegram received from Pailingmiao at Peiping on May 6 by Pao Yueh-ching, Director of the Peiping Office of the Inner Mongolian Political Council.

HU HAN-MIN, VETERAN KUOMINTANG LEADER, DIES IN CANTON

Hu Han-min, chairman of the standing committee of the Central Executive Committee and veteran Southwest statesman, died at Canton suddenly at 7.40 p.m. May 12. Death was caused by cerebral haemorrahge which developed from an attack of high blood pressure on May 9. He was 52 years old. Although Mr. Hu was at one time acting Generalissimo of the Chinese Revolutionary Armies, he was chiefly known as a politician. Born in Fanyu, near Canton, in 1884, he received his early education in that city. Later, he went to the Law School in Tokyo and while there, met the late Dr. Sun Yat-sen. He became the latter's ardent disciple and assisted him in organising a revolutionary society for the overthrow of the Manchus. He himself became editor of revolutionary newspapers in Hongkong and Singapore. When the revolution broke out in 1911, Mr. Hu was made the first Military Governor of Kwangtung under the revoltuionary banner and the same year he took the post of Chief Secretary of the Provisional Government under Dr. Sun Yat-sen. He supported Dr. Sun in the latter's rebellion against Yuan Shih-kai in 1913 and when it failed, he left China, only returning after Yuan's death.

The Late Hu Han-min

For years, he continued to be Dr. Sun Yat-sen's righthand man, and when Dr. Sun regained power in Canton Mr. Hu was made Civil Governor. It was while Dr. Sun was absent in 1924, that Hu took the post of Acting Generalissimo. After a trip to Russia in 1925, to study land problems and Soviet methods of government, he returned an even more advanced Socialist than before. He disagreed seriously with General Chiang Kai-shek in 1931, fearing that the latter was aiming at a dictatorship. He resigned from his post as President of the Legislative Yuan, but was forced by to remain in Nanking for some time. This led to a serious breach between the Central Government and Canton. After leaving Nanking, he visited Shanghai and then left for Hongkong. In 1935 he left for Europe for health reasons, but returned to Hongkong on January 19 this year efforts to persuade him to return to Nanking, however, failed. Mr. Hu was a theorist rather than a practical statesman. He was a voluminous writer and the author of number of books on revolutionary and socialistic topics.

The news of the sudden death of Mr. Hu proved to be a great shock to his former associates and followers and the public in general. Keen regret is expressed by all sides that Mr. Hu failed to come to Nanking to share the responsibilities of the government and disappointment is more poignant to his many former followers who had hoped that he would return to political life.

GEN. YEN RESIGNS BECAUSE OF FAILURE OF GUARDING SHANSI AGAINST REDS

Gen. Yen Hsi-shan, Pacification Commissioner in Taiyuan and Vice-Chairman of the Military Affairs Commission, tendered his resignation to the National Government on May 1, accepting responsibility for his failure in preventing the Reds from penetrating into Shansi, according to *Central News*. In his telegram to Nanking, Gen. Yen is said to have declared that he should be severely punished by the Government for his inability to protect the people under his jurisdiction against the Red menace. Gen. Yen Hsi-shan has received telegrams from Lin Sen, chairman of the National Government, and Gen. Chiang Kai-shek, president of the Executive Yuan, urging him to withdraw his resignation, reported *Central News* May 11. Gen. Yen was urged by Mr. Lin and Gen. Chiang to continue his efforts in exterminating the Communist remnants in the Northwest. In his telegram Mr. Lin lauded the successful efforts Gen. Yen has made in routing the Reds from Shansi.

In an editorial on the resignation of General Yen Hsi-shan on May 9, the *Shanghai Nippo* emphasizes that the real cause for his resignation is not due to his failure in his duty as Pacification Commissioner as he stated, but due to the intrigues of the Generalissimo. It further avers that the Central Government Army incited the Communists' army to invade Shansi as no preparations had been made by the Shansi troops against the Red invasion and that the Central Government army came to the aid of General Yen after the invasion of Shansi by the Communists. As the aim of the Communist Army to capture the province of Shansi is identical with that of the Central Government, it succeeded through the belated assistance from the Central Government Army.

The main causes for the failure of the Communists to secure a firm foothold in Shansi and the present situation of the anti-Red campaign formed the subject of an interview given by Major-Gen. Teng Pao-shan who arrived at Peiping from Taiyuan on May 7. Execllent means of communications and comparative political stability in Shansi, according to Gen. Teng, play an important role in spelling the doom of the Red invaders. In the course of the entire campaign, Gen. Teng reported, three sanguinary battles have occurred between the Government troops and the Reds, which resulted in over 7,000 Reds being killed. Summing up the present situation, Gen. Teng stated that the Communist-suppression drive in Shansi is now in the concluding stage At present, Gen. Teng said, there are at most 3,000 Reds along the Shansi side of the Yellow River, and with the combined Shansi and Shensi troops ready for a general offensive against the marauders, Gen. Teng predicted, it would be only a matter of time before the remaining Red influence would be completely eliminated.

Under pressure of Shansi troops on the eastern bank, large batches of Communist remnants in the western part of the province have succeeded in crossing the Yellow River into north Shensi under the cover of night during the week. At present only about 2,000 Reds remain in Shansi. Government troops are busily combing the various districts for Communist remnants. As soon as the bulk of the Reds are cleaned up in Shansi, it is stated large detachments of Shansi troops will be sent to the other side of the river in Shensi to help round up the bandits.

CHIANG TO CONVENE SIX-PROVINCES ANTI-RED CONFERENCE

Laichow Jih Pao reported on April 28 that General Chiang Kai-shek will convene a six-province Anti-Red Conference in Hankow. The six provinces include Honan, Szechuan, Kweichow, Shansi, Hunan, Hupeh, and Shensi. In addition to the problem of Red-suppression drive in the six provinces, the question, which will be given particular discussions, will be the strengthening of the position of the Central Government Army in North China.

The Hopei and Chahar Political Council has issued a circular order to the authorities of the various districts in Hopei and Chahar, instructing them to prevent Communist stragglers from Shansi entering their districtss. While the Council believes that the Communist danger in Shansi is over, it fears that defeated Communists may cross the border into Hopei or Chahar and create disturbances among the peasantry.

TEN PROVINCE ADMINISTRATORS' CONFERENCE OPENS IN NANKING

An impressive sacrificial ceremony at the Sun Mausoleum in the morning of May 10 marked the formal inauguration of the Ten Province High Administrators' Conference presided by Gen. Chiang Kai-shek, President of the Executive Yuan. All those who attended the conference, including five provincial chairmen and 80 provincial commissioners filed past the Sun statue in paying their respects to the late Party Leader. The inaugural meeting was held at the Officers Moral Endeavour Association which was heavily guarded for the occasion. Gen. Chiang Kai-shek, as Chairman, gave an outline the purposes for which the conference was called. "This Conference," said Gen. Chiang, "is called primarily for the purpose of finding out the advantages and disadvantages of the present system of Special Administrative Inspecting Commissioners now prevalent, and of devising measures for improvement on the system." The Conference was closed on May 13 after being in session for three days.

Japanese Use Smuggling Situation as Lever to Force Lower Duties

The smuggling situation in North China was the subject of discussion at two conferences held in Tientsin May 4. The first conference was held in the morning in the Tientsin Customs, those attending including the foreign Customs Commissioner and the Chinese Customs Superintendent of Tientsin, Hsiao Hsi-chao, an official of the Ministry of Finance in Nanking specially sent to Tientsin to investigate the smuggling situation, and the foreign chief of the smuggling prevention section of the Customs in Shanghai who was sent to Tientsin by the Inspector General for a similar purpose.

The Tientsin Customs Commissioner in a long report on the smuggling situation disclosed that the Tientsin Customs had lost about $4,000,000, during the last three months as a result of the smuggling.

The meeting discussed many alternative measures to the present arrangement for fighting the smuggling and finally decided to refer them to the Ministry of Finance for approval.

In the afternoon Mr. Hsiao held a conference with Hsiao Cheng-ying, the Mayor, when measures for securing more effective cooperation between the municipal authorities and the Customs in checking the smuggling were discussed.

Huge Loss in Customs Revenue

Customs revenue from Tientsin and the various Great Wall passes for the 24th fiscal year ending June 30, 1936, is expected to register a decrease of over 50 per cent as compared with that for the previous year, according to information from the Tientsin Customs authorities. The main cause for the sharp fall in Customs revenue is the rampant smuggling activities which have been gong on relentlessly through the demilitarized zone.

Up to now, it is learned by the *Central News* Agency, there has already been a decrease of over $20 million, although exports have soared to the amount of $100,000. The total Customs revenue for Tientsin and the various Great Wall passes for the 23rd fiscal year amounted to $41 million.

The principal articles smuggled are naturally those which either carry heavy duties, or because of their light weight in relation to their value are easily transported at a profit. The East Spation at Tientsin is a good vantage point from which to get an idea of the extent of the smuggling. During the week April 12-19, this year, more than a thousand bales of artificial silk yarn arrived at said station, these representing duties evaded of more than four hundred thousand gold units. Close on to 50,000 bags of white sugar arrived at said station during the same period, representing duties evaded to a value of more than another four hundred thousand gold units. These were in addition to such other articles as dried sea products, motor car tyres, medicine, gasoline, etc. These smuggled goods arrived from Chinwangtao, Peitaiho, Changli and other smaller points. The shipping out of Tientsin of these smuggled wares is done from all three of Tientsin's railway stations, East West and Central. It is estimated that during the period from Aug. 1, 1935, to April 25, this year, the duties evaded on smuggled artificial silk yarn which arrived at Tientsin East Station amounted to close on to five million gold units. During the same period huge quantities of white sigar arrived, the duties which were evaded amounting to more than four million gold units.

Cargo entering the country through the northern frontier is distributed easily and quickly by means of both the Tientsin-Pukow and the Peiping-Hankow Railways and their connecting lines throughout this area north of the Yangtsze Valley, and it is from cargo consumed in this area that the larger share of the Chinese Customs revenue is derived. Statistics for 1935 show that the 21 ports from Chinwangtao in the north down to Ningpo, which lies south of the Yangze valley, accounted for 88% of the total revenue collected during the year, while the remaining 18 ports from Wenchow to the south to Tengyueh in the west provided only 12%. The encouragement given to smugglers in the north becomes accordingly a direct attack upon 88% of the country's revenue.

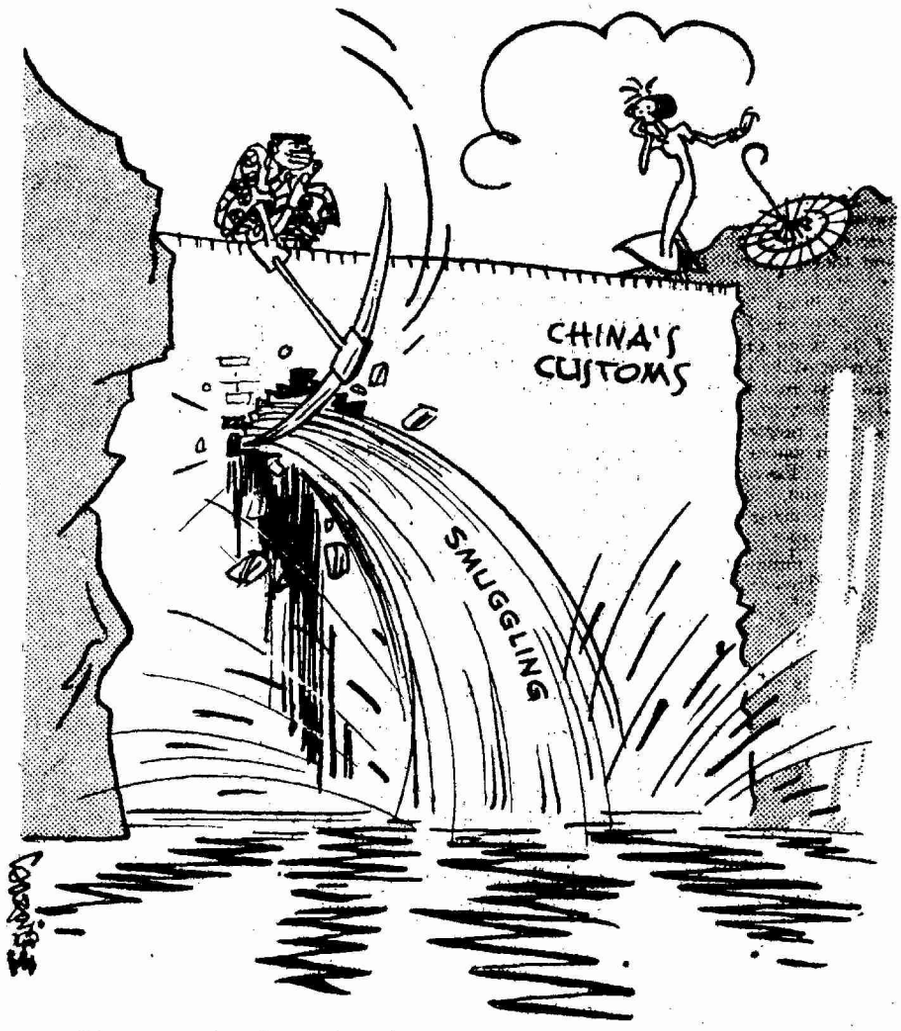
Sir Frederick Leith-Ross Asks Nanking to Reduce Tariff?

The Chungking *Shan Wuih Pao* of May 1 printed a message from Tientsin to the effect that Sir Frederick Leith-Ross, financial adviser to the British Government, in this interview with Mr. Kawagoe, Japanese Ambassador designate to China, in Tientsin on April 28, told the latter that he had already proposed to the Chinese Government for a reduction in the Customs tariff. The British financial expert also asked the assistance of the Japanese to check the smuggling in North China.

Shigeru Kawagoe, recently appointed Ambassador to China, expressed the opinion in Tokyo May 9, that the best and simplest way to suppress smuggling in China is to reduce the tariff, which, he declared, was excessively high in North China. He declared that the tariff on rayons and sugar was levied at a rate 20 times the price of the goods.

Japan's attitude towards the smuggling situation in North China was plainly stated at Peiping May 8 by Lieut-Gen. Tada, retiring commandant of the Tientsin Garrison, who had been visiting Peiping and Tungchow. There was, he said, no smuggling into East Hopei. "Goods entering East Hopei," he added, "should not be considered smuggled since their importers have paid the Customs duty levied by the East Hopei authorities." Gen. Tada hoped that the National Government would, of its own accord, lower the existing tariff, "thus automatically solving the problem."

JAPAN SMASHES THE CUSTOMS DAM



This cartoon by the well known Russian artist G. Sapojnikoff, illustrating Japan's military activities in fostering smuggling in China, was published in the British *North-China Daily News* on May 8.

Commenting on the practice of smuggling by Japanese, the Shanghai *Ta Wan Pao* May 11 commented:—"Instead of stopping the practice of smuggling by its nationals, the Japanese authorities in North China are encouraging and protecting the Japanese smugglers. Often times, when Japanese boats engaged in smuggling are detained by the Chinese Customs authorities, the Japanese Consulate in Tientsin lodges protests with the Chinese Government. Major-General Tada, Commander of the Japanese Garrison in Tientsin, declared that there is no smuggling in North China. All the so-called smuggled goods have paid regular Customs duties to the East Hopei bogus regime. The Japanese military officer declared further that as soon as the Chinese Government reduces the import duties, smuggling will automatically disappear. The statements of Major-General Tada represent the Japanese official attitude toward the practice of smuggling by their nationals. Under this condition, we must ask: What is the East Hopei bogus regime? If the taxes collected by the bogus regime are legal, may it not be more convenent to abolish all the Customs and impose no import duties on Japanese goods at all?"

Decrease of Import Duties for Sugar and Silk Denied

According to an interview between Mr. Chen, a delegate of the Shanghai Chamber of Commerce and also the chairman of the Sugar Guild, and Dr. H. H. Kung, the Finance Minister of China, states the Shanghai *NichiNichi*, it is divulged, that in order to protect the sugar trade of China, the tariff on import duties for sugar (also of artificial silk) will by no means be reduced.

The National Federation of Industries in a petition to Nanking last week expressed surprised at press reports that the Government is contemplating the reduction of the import duty on sugar and rayon (artificial silk). If this is enforced, the petition said, the rates of import duty on other articles would necessarily be affected, and the tariff wall for the protection of domestic industry would be totally destroyed.

William Gockson, a member of the Shanghai Municipal Council and Managing Director of the Wing On Co., General Manager of the Wing On Textile Manufacturing Co., and Chairman of the Chinese Mill Owners' Association, stated in an interview last week that it is impossible to believe that the smuggling into the country of goods worth several hundred millions of dollars is done without extensive prearranged plans and backed up by substantial authorities in Japan whoever they may be. If the Government yields to this illicit method and agrees to lower the tariff, Mr. Gockson commented, it would merely open another door for the Japanese to run in more goods and demand further reductions.

Before his departure for Nanking, Feng Sui, director of the Agricultural and Forestry Bureau of the Kwangtung Provincial Government, voiced strong opposition to the suggested reduction in the import tariff on sugar, saying that such a step would completely ruin Canton's sugar industry, which is still in its infancy.

Island on Chekiang Coast Becomes Center of Smuggling Activities

The Island of Yuhwan, to the north of the Wenchow Bay, (Chekiang coast) is now a center of smuggling activities, and Yuhwan Hsien, the only city in the Island, has become a center for sugar and petroleuma clandestinely shipped in by smugglers. The *Central News* says the situation has become so serious that the Ministry of Finance has requested the Chekiang Provincial Government to investigate and report.

The Tientsin Customs May 6, seized 500 bags of smuggled sugar which were discovered aboard five Korean ships from Dairen.

Five Japanese motor boats engaged in smuggling, were detained by the Customs cruisers at Chikow on May 6. These boats carried huge amounts of sugar, artificial silk and piece goods, all of which were confiscated by the Tientsin Customs.

The request of the Japanese authorities to release the five Japanese motor boats detained by the Customs in connection with smuggling was definitely rejected by the Chinese authorities. The Japanese owners of these boats must pay of a fine to the authorities for the release of the boats. At present seven Customs cruisers, heavily armed, are patrolling the North China coast.

The *Shun Pao* May 9 stated that no less than $140,000 worth of artificial silk smuggled from North China has been detained by the authorities along the Nanking-Shanghai Railway during the past two months (March and April).

In Kalgan large numbers of Chinese shops are hoisting Japanese flags given to them by the Japanese ronins. These shops are engaged in selling smuggled goods, and the authorities find it extremely difficult, under the circumstances, to interfere. The Chinese shops are stated to be paying small amounts of money to the Japanese ronins for their protection.

According to the Tientsin *Ta Kung Pao* the Customs authorities are considering a change in the existing method of collecting the Customs duty in order "to meet the situation in North China."

It is learned that the smuggling situation along the sea coast has considerably improved as a result of the vigilance of Customs anti-smuggling cruisers but the situation on the Peiping-Mukden Railway is still very serious. Efforts are being made to bring about closer cooperation between the Customs and the Peiping-Mukden Railway authorities.

One of the new anti-smuggling measures, which provides for the arming of the Customs officers in the north, is now being enforced following the conclusion of an arrangement with the Japanese authorities, according to a Chinese report received from Tientsin. The armed inspectors are being placed on duty along the Luan River in Hopei where smuggling is rampant. The arming of Customs officers is deemed necessary in view of the frequent assaults on them by ronins.

Arming of the Customs inspectors, however, is not expected to materially help in the complete suppression of the illicit trade. Japanese authorities in North China are accused in Chinese circles of encouraging and protecting the smugglers in order that they may forces the National Government to yield to their agitation for a cut in the import tariff, particularly the duties on rayon silk and sugar.

Two Custom officials are receiving medical attention in a Chinwangtao Hospital for injuries received last week while seizing three Korean smuggling ships loaded with sugar, matches and sea products. They were taken off Liusiuying. When the officials were seizing the vessels, a mob of Koreans arrived and assaulted them. Prompt arrival of the peace preservation corps saved the officials from further injuries. The vessels were finally brought alongside the Chingwantao customs jetty for disposal.

Foreign Customs Officials to Be Replaced by Chinese

A Nanking message to the *Ta Kung Pao*, (Shanghai) May 12, stated that all superintendents of Chinese Customs will be Chinese, according to instructions of the Ministry of Finance. The message mentioned that about one-third of the superintendents of Chinese Customs are Chinese at the present time.

General Chiang Kai-shek had a two hours' talk with Sir Leith-Ross, at Nanking May 8. Though details are not known the Shanghai *Nippo* surmised that it concerned the problem of smuggling, for the stopping of which Sir Leith Ross had submitted plans as the result of his investigations in the North.

Hsiao Hsi-chao, Taxation Inspector of the Ministry of Finance, who was in Tientsin this week to conduct an investigation into the smuggling situation, stated in an interview that as a result of rampant smuggling in North China, a sharp decrease of several million dollars in consolidated tax revenue had to be noted as compared with last year.

Chinese Reply to American and British Protests Regarding Oil Smuggling

In reply to American and British protests regarding the smuggling of gasoline by Japanese in North China, the Chinese Customs authorities in Tientsin declared that gasoline is but one of the many kinds of commodities now smuggled into China by the Japanese. The Chinese authorities are formulating effective measures to check all kinds of smuggling in North China.

The Customs authorities pointed out incidentally that no action could be taken to check the smuggling of any one particular commodity.

Smuggling in North China Decreases Because of Lack of Market

Advices from Tientsin during the week stated that smuggling in North China had greatly decreased in the past several weeks owing to the lack of market for the large quantities of goods already smuggled into said city.

International Action Considered Over Problem of Smuggling in North

A London message May 13 stated that consultations concerning what steps should be taken concerning the smuggling situation in North China are understood to be in progress between Great Britain and other countries, including the United States and Germany. This action follows representations made to the Japanese Foreign Office on May 2 by Sir Robert Clive, the British Ambassador in Tokyo.

United States Senate Passes Military Appropriation Measure

The War Department Appropriation Bill, which provides for the expansion of the air force, and for strengthening defences on the West Coast and in Panama and Hawaii, was passed by the Senate May 7 after a brief debate. A sum of $375,000,000 is alloted under the War Department Bill to bring the enlisted strength of the army to 150,000 men. It also provides for $45,000,000 for the acquisition of 565 airplanes, and allots funds for the enrolment of 5,000 more National Guards in order to bring the total to 200,000.

Japan Wants Navy Equal to the Strongest Power, States Admiral Nagano

The Japanese Navy desires to possess a force equal in strength to that of the strongest naval power likely to attack Japan, the Navy Minister, Admiral Osami Nagano, is reported by the Tokyo *Asahi* to have declared at a secret budgetary session of the Diet, May 12. Furthermore, Admiral Nagano is alleged to have said, it was absolutely necessary, in view of present conditions, that Japan should carry out proper defensive preparations, including naval bases. The possession of an equal force, the Navy Minister declared, did not necessarily mean equality in numbers.

Dr. T. F. Millard Is Decorated by National Government

Among the foreign statesmen who were awarded decorations by the National Government May 6, was Dr. Thomas Franklin Fairfax Millard, noted American journalist and former advisor to the Chinese Government. Dr. Millard, who was born on July 8, 1868, was educated at the Missouri School of Mines and the University of Missouri and is unmarried. He has been engaged in newspaper work and the writing of books all his life. After doing routine newspaper work in various cities in the United States he served as war correspondent for newspapers and magazines both in the United States and in England, during the Graeco-Turkish, Boer, Spanish-American wars, the Chinese Boxer Uprising, the Russo-Japanese War, and the World War. He founded *The China Press* in Shanghai in 1911 and *Millard's Review* (now the *China Weekly Review*) in 1917. He was unofficial advisor to the Chinese delegation to the Paris Peace Conference in 1919, to sessions of the League of Nations at Geneva, in 1920-21-22 and to the Washington Conference in 1921. He was appointed official adviser to the Chinese Government in 1929, from which position he resigned several months ago. He is living at present at the Hamilton House in Shanghai. Dr. Millard is the author of a number of standard works dealing with Far Eastern matters.

Others who were awarded decorations were :—Col. Henry Stimson, former American Secretary of State; Newton D. Baker, former American Secretary of War; Cameron Forbes, former leader of the American Economic Mission to China; Dr. Robert Lewis, former advisor to the Chinese Government; Senor Augusto Barcia, former Spanish foreign minister; Senor Rafael Urena, former Spanish foreign minister; Dr. Leonardo Arguello, Nicaraguan Foreign Minister; Anastasio Somoza, Commander-in-Chief of Nicaraguan Defence Forces; Dr. Andres Vega Bolanas, Nicaraguan Vice-Minister of Foreign Affairs; Senor Teofilo Hermando, Speaker of the Spanish Senate; M. R. Silver Cruy, former councillor of the Belgian Legation in China; Dr. F. D. H. Groeman, former Netherlands Consul General in Shanghai and Kaou Toyada, former secretary of the Japanese Legation in China.

DR. THOMAS FRANKLIN FAIRFAX MILLARD

Greater Shanghai Municipality Starts Three-Months Anti-Narcotic Drive

An intensive three-months drive as part of the nation-wide Campaign to rid China of the drug evil was begun in Shanghai this week. The anti-narcotics activities here are being personally supervised by Mayor Wu Te-chen of the Municipality of Greater Shanghai and Ma Liang, special inspector of the campaign in the Shanghai area.

The campaign here will be divided into three periods, all of which are to be completed by August 10. The initial drive will register the names of all the addicts who come to the suppression office voluntarily to signify their willingess to cure their habit. Theser egistered addicts, whose records are countersigned by officers of the Bureau of Public Safety, will be sent to municipal hospitals or recommended to physicians qualified to give the required cure. During the second period of the drive, the addicts are still asked to register of their own accord, but a stricter procedure to round up all users of drugs will be put into effect. The third period calls for a house-to-house inspection by officers of the Bureau of Public Safety annd specially-named suppression authorities.

Japanese Opium Companies Smuggle Opium into Swatow

According to reports received in Hongkong, a Japanese opium company in Amoy is cooperating with the Japanese Chin Shun Company in Hongkong for the smuggling of opium into Swatow. It is reported that large quantittes have been sent to Swatow by Japanese fishing boats by sea and by Japanese armored trucks by land. This smuggled opium is being dumped on the Swatow market, thereby causing serious difficulty to the authorities in the suppression of the opium trade.

Memorandum on Relief of Drug Addicts in Foreign Countries to Be Presented at Geneva

The Chinese Government will present a memorandum to the forthcoming International Labor Conference requesting the effective relief of opium-smoking Chinese in foreign countries. Li Ping-heng, Chinese member of the I.L.O. Governing Body in Geneva, who will sit as China's Government delegate in the forthcoming conference, will present the memorandum on behalf of China.

Muriel Lester Speaks at Geneva on Japanese-Korean Opium and Drug Traffic

Miss Muriel Lester of Kingsley Hall, London, in a lecture at Geneva, May 6, pointed out that under the system of extra-territoriality and military protection the illicit traffic of opium and drugs carried on by Japanese and Koreans has increased daily in North China. The speaker, who had made an extensive tour in the so-called demilitarized zone in North China, drew international attention to the fact that "the Japanese are poisoning the Chinese population on a large scale." Miss Lester will later conduct a lecturing tour in England on the subject of the opium and drug traffic in China.

Little Hope Seen for Resumption of Operation of Chen Hung Cotton Mill

The Chen Hung Cotton Mill in Wuchang remains closed and little hope is expressed in government and financial cercles that it will start operation in the near future. According to the Bank of Communications, the property of the mill is worth $2,535,000 while its total debt exceeds $2,700,000.

Japanese Parliamentarians Fight for Constitution in Diet Session—Under Martial Law

TAKAO Saito, of the Minseito party, bitterly criticisized the Army for "meddling with civil administration" and interfering in the formation of the present Cabinet in a speech delivered in the Lower House at Tokyo May 7. "I dare to voice this criticism," he declared to the hushed House, "because I want to resuscitate constitutional government in this country."

The Army's concern with civil administration, he said, was one of the contributing factors which led to the mutiny of Feb. 26. Another factor, he pointed out, was the "youthful eagerness and the lack of social experience on the part of young officers." Mr. Saito called on Gen. Count Hisaichi Terauchi, War Minister, to take "drastic" disciplinary measures, to prevent the recurrence of such incidents. His speech was constantly interrupted by applause from the benches of the House and the galleries, while many members of the House wept when he spoke of the Army's activities that accompanied the formation of the Cabinet. The Ministers all sat with bowed heads during this part of his address.

Premier Koki Hirota, replying to Mr. Saito, said that the state of "armed peace" abroad made it necessary to adopt suitable policies. Gen. Terauchi concurred with this view.

A miniature storm was aroused in the camp of the proletarian Social Masses Party by a statement by Premier Hirota in the Lower House that Japan "need not follow the example of foreign countries" in staging May Day parades. Leaders of the party, which holds 19 seats in the Lower House, declared that the Premier's declaration formed a "serious insult" to Japanese workers and the labor movement.

Marking what was generally described as the first proletarian success in the present session of the Diet, the Premier, Mr. Hirota, May 11 corrected an earlier statement charging the the Social Masses Party with a "lack of appreciation" of Japanese national traits. His correction was secured by the intervention of the chairman of the Lower House Budgetary Committee after Mr. Hirota had refused to accede to the demand of a member of the Social Masses Party.

Seiyukai Member Protests Against Infringement Upon Human Liberties

Pointing out that every session of the Diet brings disclosures of violations of popular rights, Mr. Kanai, Seiyukai, called on the Government to put an end to "infringements upon human liberties."

Mr. Kanai's query as to whether these infringements could be ascribed to defects in the existing laws brought a reply from Dr. R. Hayashi, Justice Minister, that "many existing laws are too difficult to understand."

Mr. Kanai asked the Minister to revise the existing regulations, under which the judicial authorities "are apt to arrest and maltreat subjects."

Dr. Hayashi pledged immediate steps in the desired direction.

Tetsu Katayama, a leader of the Social Masses Party, followed Mr. Kanai with a request that Premier Koki Hirota retract his previous statement at the Lower House that Japan need not follow the example of foreign nations in staging May Day parades.

The request was turned down by both Mr. Hirota and Mr. Ushio, Home Minister. The proletarian party held that the Premier's remarks were an insult to the workers of Japan and to the labor movement.

Mr. Katayama further called on the Government to take steps to eliminate social unrest and poverty by means of social legislation. He also asked Mr. Ushio to revise the Labor Disputes Settlement Law, and Dr. Ogawa, Minister of Commerce and Industry, to formulate plans for the relief of petty and middle-class merchants and industrialists.

"Why Didn't Admiral Okada Commit Harikiri?"

"Why didn't the former Premier, Admiral Okada, disembowel himself?" This question, flung from the rostrum of the Lower House in the form of an emergency motion, precipitated pandemonium. Declared out of order by the Speaker, Mr. Maeda was asked to leave. He refused and instead repeated his question. Guards marched up to the rostrum and dragged him out.

The belief that "under the present circumstances" there is no need for martial law in Tokyo and its suburbs was expressed by Baron Sakatani. Gen. Count Hisaichi Terauchi, War Minister, said he would take "appropriate steps, in consonance with Baron Sakatani's views."

All factions in the Lower House have agreed to introduce a special resolution assuring the Throne of their determination to obey the command contained in the Imperial rescript of May 4.

"Real Nature" and Financing of Mutiny Being Investigated

Information on a wide range of subjects was asked by Matsuju Koyama, Minseito, who took no pains to spare the Government from the necessity of answering "embarassing" questions. Mr. Koyama declared that the nation wished to have "all doubts cleared" as to the "real nature" of the mutiny of Feb. 26, and called for a strict enforcement of Army discipline. He also wanted to know what "ideological connection," if any, existed between the mutiny and communism. After calling for drastic administrative reforms, Mr. Koyama also demanded the lifting of martial law and the removal of obstacles to free speech.

Investigations into who financed the rebellion are now proceeding, Gen. Terauchi told the Lower House in a closed session. The War Minister was subjected to vigorous questioning by several representatives, one of whom asked Gen. Terauchi for an explanation of the Army's activities in China and its attitude towards the United States.

Gen. Terauchi is understood to have evaded the question by a generalization to the effect that the entire service was taking steps to cope with the external situation of the nation.

Gen. Hisaichi Terauchi, Minister of War, presented before both Houses of the Diet his eargerly-awaited review of the military mutiny of Feb. 26. He, however, failed to reveal the results of the investigations into the case carried on by both the military and judicial police on the grounds the such disclosures would be prejudicial to "public peace." He promised parliamentarians a further report in a secret session later on.

Gen. Terauchi reviewed at length the measures taken by the Tokyo garrison commander to avoid bloodshed and the steps taken to secure the submission of the revolting officers, "who were in a high state of excitement."

The War Minister stressed that army discipline depended entirely upon obedience to the orders of superiors and that petty officers and privates had followed their leaders into the recent revolt because they followed the latters' orders.

"Army authorities are taking careful measures to avoid misgivings regarding the future by clearly establishing where the responsibility for the rebels' actions lies," he said.

"The motives of the rebels lay in their desire to reform present conditions in our country," he added. "But it must be deplored that they were led by the ideas of a few outsiders, whose plans for national reform are absolutely incompatible with our national characteristics."

Finance Minister Says More Deficit Bonds Will Be Issued

Higher national expenditures, necessitated by "Japan's growing international prestige," were predicted by Dr. Eiichi Baba, Minister of Finance, to the nation's taxpayers in an address before the Lower Chamber in Tokyo May 6. The Government, Dr. Baba delcared, will continue to issue deficit bonds, but will strive to avoid "undue inflation." The budget for the current year he said, will total Yen 2,303,300,000, or Yen 25,000,000 above the budget whose passage was prevented by the dissolution of the 68th session of the Diet on Jan. 21.

The current budget, he added, appropriated Yen 1,941,000,000 for ordinary needs and Yen 362,300,000 for extraordinary requirements. The latter, he said, were mainly for military expenditures in Manchuria and for the replenishments of the Army and Navy equipment.

Pressed for an answer by Kiroka Ohgachi, Seiyukai representative, as to where he intended to secure the increased revenues to meet the swelling expenditures of the Government, Dr. Eiichi Baba, Minister of Finance, said that he believed that "the only way to strengthen the finances is to expand our industry and trade."

Efforts of parliamentarians to evoke a definite reply from Dr. Eiichi Baba, Finance Minister, on his plans for tax increases, and higher revenues from the tobacco monopoly, as well as on monetary reforms, ended in failure.

Dr. Baba, however, assured the House that the Government will take "progressive measures" to realize the low interest policy to develop the nation's industries and to help the absorption of government bonds.

Dr. Baba incidentally said: "I regret the necessity of stating that Great Britain is the greatest obstacle to Japan's commercial expansion. Cordiality should be maintained with Great Britain, but not at the expense of losing our trade life-line, China, Siam and the South Sea islands."

Japan to Borrow Yen 512,934,000

"Red ink" bonds totalling Yen 512,934,000 will be issued by the Tokyo Treasury in the current fiscal year, to cover the budgetary deficit. Bills seeking parliamentary approval for the issuance of these bonds have already been submitted to the Lower House.

Japanese Foreign Office Spends Huge Amount on Cable Messages

The Tokyo *Yomiuri* April 30 called attention to the fact that the money being spent by the Powers for their cable expenses has been on the increase and that Japan has been no exception

to the rule. In 1925 the Japanese expenditures for telegrams were around Yen 500,000 a year. In 1930 the amount almost trebled to Yen 4,000,000. In 1932 the amount increased further to Yen 4,050,000, the highest figure ever registered in the Foreign Office. The Manchurian Incident, it was stated, was responsible for the record, but after the Incident the amount failed to be reduced to the former level. In 1934 the Tokyo Foreign Office spent Yen 3,000,000 for cable expenses. The amount is restricted to cables exchanged between the Foreign Office and official organs abroad.

Extraordinary Session Refused

Convocation of a new extraordinary session of the Diet next autumn, to enable the Government to dispose of a wide range of important problems, was mooted May 11 by parliamentary members, most of them from the benches occupied by the Social Masses and the Kokumin Domei parties.

The Premier, Mr. Hirota, denied that the Government intended summoning another extraordinary session of the Diet to pass new bills incorporating the present Cabinet's "reform" policies.

Japanese War Purchases Abroad

Purchases of foreign war material by the Japanese Army and Navy total approximately Yen 25,000,000 a year, it was revealed during the budgetary debate in the Lower House in Tokyo May 9. The War Office made payments abroad of approximately Yen 300,000 a year for the purchase of equipment and other uses, while it also bought about Yen 2,000,000 of foreign-manufactured war material through Japanese firms.

N. Y. K. Cancels Extra Dividend

Decision to cancel the annual extraordinary dividend of two per cent, leaving the ordinary dividend of five per cent, was made by the directors of the Nppon Yusen Kaisha, Japan's largest shipping concern, May 8.

Arita Asks for National Support in Japan's Foreign Policies

Popular support in the conduct of the Government's foreign policies was asked May 8 by Mr. Arita, Foreign Minister, in an address before the 16th annual conference of the International Society of Japan.

Japan's Trade Balance Continues Unfavorable

Continuing its unfavorable trend, which brought Japan's excess of imports over exports at the end of April to 48 percent of what it was at the same time last year, Nippon's trade balance for the first nine days of May was Yen 7,145,000 "in the red." Total exports during the nine-day period, a bulletin released by the Ministry of Finance May 9 said, amounted to Yen 63,819,000 against imports valued at Yen 70,964,000. This brings the total unfavorable balance for the year up to Yen 271,145,000.

A general decrease in the amount of Japan's main exports, such as silk and cotton textiles, coupled with large purchases of wool abroad, was blamed for this situation.

Japan Textile Exporters to Control Trade with U.S.?

An agreement to limit the exports of Japanese bleached cotton to the United States and her colonial possessions to 40,000,000 yards a year, provided the restriction does not apply to other kinds of cotton textiles, was reached by the Council of exporters of cotton cloth to the United States in Osaka May 7.

Lieut.-Col Aizawa, Sentenced to Death at Secret Court Martial, for Murdering Gen. Nagata, Lodges Appeal

Lieut.-Col. Saburo Aizawa, charged with assassinating Lieut.-Gen. Tetsuzan Nagata, Director of the Military Affairs Bureau of the War Office, on August 12, last year, was sentenced to death on May 7, according to an announcement made by the Tokyo War Office May 9. The announcement stated that the death sentence was imposed following a fresh court-martial by new judges, whose names are being kept secret. It added that the court-martial, which was held in camera, reached its verdict after five sessions.

The accused immediately lodged an appeal. The first trial of Lieut.-Col. Aizawa was voided by the military mutiny in Tokyo of February 29, which necessitated its suspension for a period exceeding 15 days allowed under the terms of the court-martial law. The accused, during the first trial, declared that he killed Lieut.-Gen. Nagata because he believed him to be conspiring with "the elder statesmen and financial clique" to seize control of the Army.

Ministry of Education to Examine Japanese Students Going to America

Domei says that, in an effort to "maintain the Japanese educational prestige in the United states," the Tokyo Ministry of Education will this year inaugurate examinations for the approximately 1,500 youths who annually leave Japan to continue their education in America. The Ministry officials said that such examinations would also be instrumental in "strengthening the cultural and educational ties" binding the two nations.

Managing Director of Mitsui Gomei Kaisha Resigns

The Board of Directors of the Mitsui Gomei Kaisha, April 30 accepted the resignation of Seihin Ikeda, managing director and one of the ablest men ever to serve Nippon's "House of Morgan." Mr. Ikeda's lead was followed by Nagafumi Ariga and Kikusaburo Fukui, advisers to the firm, who also announced their intention to retire.

Japanese Papers Raise Outcry Against Proposed Expulsion of Nationals from Philippines

Spurred by an Upper House debate precipitated by Mr. Ohtsuka, two leading Tokyo newspapers May 12 editorially commented on the situation in Davao, P.I., where Japanese holders of land leases are facing expulsion. "The Japanese nation, for the sake of its prestige, positively cannot bear to see Japanese in Davao expelled as land-grabbers when, in reality they have been the benefactors of Davao, engaging in pioneering work in the face of great difficulties and personal danger for the past 30 years," the Tokyo *Asahi*, one of the two largest dailies in the capital declared. The *Yomiuri* also deplored what it described as the Filipinos' failure to appreciate the contribution of the Japanese to the development of Davao.

Urging the Filipino people to reconsider this "unfriendly attitude" towards the Japanese, the *Yomiuri* simultaneously asked the Japanese Government to seek a prompt solution of the question.

Foreign Minister Arita Sees Economic Measures Included in "Three Principles"

Economic measures are incorporated in the three principles which were recently reaffirmed as forming the basis of Japan's diplomatic policies towards China, Mr. Arita, Foreign Minister, declared in Tokyo May 12. "It is wrong to believe that economic steps and the three principles are dissociated," he told the budgetary committee of the Lower House in reply to a question by Kanichiro Kamei, of the proletarian Social Masses' Party. Answering another query by the same representative, Mr. Arita said that an exchange of Japanese finished goods for agricultural products was "already going on in North China."

Japan To Curb "War" Publications

Publications likely to "poison" the foreign relations of Japan because of their warlike character will be discouraged, Mr. Arita, Foreign Minister, told the House of Peers May 12.

He made this declaration in reply to a question by Baron Sakatani, veteran member of the Upper Chamber, with marked pro-British tendencies, who referred to the difficulties he had in convincing John G. Latham, former Minister of External Affairs, who led the Australian Far Eastern Mission in 1934, that Japan had no plans of annexing the Commonwealth. The Australian official, Baron Sakatani said, had cited a passage from the book "Japan Must Fight Britain," by Lieut.-Commander Tota Ishimaru, retired, predicting the occupation of Australia in the event of Anglo-Japanese hostilities.

Japanese and Siam Work Together on Canal Project

Great significance is attached, in British circles particularly, to the recent visit of the Japanese Economic Mission to Siam, as the latter has discussed in detail the proposal of building a canal at Kra for the Siamese Government. According to a Hongkong message to the *Shun Pao*, the Japanese Economic Mission, which left Siam on April 20 for Tokyo, brought with them a draft plan for the building of the canal for examination and approval of the Japanese Government.

N.E.C.-Academia Sinica Experimental Factory to Be Opened Shortly

The new Cotton Weaving, Spinning and Dyeing Experimental Factory of the Cotton Industrial Commission of the National Economic Council and the Academia Sinica, situated behind the large Academia Sinica building on Brenan Road in Shanghai has been completed at a cost of over $400,000. Kanyo Nieh, Technical Relations Fellow of the Academia Sinica, who was in charge of the construction, states that the date for the formal opening will be announced shortly. Writing in the *China Press* W. E. Fisher states that the new experimental factory offers facilities to the general public for gaining a knowledge of the art of spinning and weaving and of the manufacture of fabrics of every description. Furthermore it will serve to encourage the study of the textile industry in China. Within its walls methods of textile manufacture will be perfected, and the standards of perfection for various types of textiles will be determined. It is probable that special commissions for the study of the texile industry here and abroad will be organized, using this new building as its headquarters.

Canton Native Bank Asks for Relief from Provincial Government

In a petition to the Canton Chamber of Commerce, the native banks in Canton have requested the Kwangtung Provincial Government to give $5,000,000 as a relief fund. These native banks are said to be facing serious financial difficulties.

China Again Demands "Open Diplomacy"

BY C. Y. W. MENG (孟長泳)

THROUGHOUT these five years of Sino-Japanese entanglement, conferences were held, agreements were reached or signed, between the local Chinese authorities and Japanese militarists. But with the exception of the "Shanghai Agreement" (or Armistice), the official and full texts of other agreements, the minutes of the conferences, results of the negotiations, etc., were never officially and sufficiently published by our Government. For example: On May 31, 1933, General Huang Fu, the then chairman of the Political Affairs Readjustment Commission in Peiping, signed an agreement with the Japanese militarists, now known as the "Tangku Agreement," or the "disgraceful capitulation," as the Chinese characterize it. Sometime in June, 1935, the "Ho-Umetsu (General Ho Yin-ching and General Umetsu, the then Commander of the Japanese Kwantung Army in North China) Agreement" was signed. At the end of the same month the conference on "Eastern Chahar Problem" was opened between the Chinese authorities and Japanese militarists. But up to now the full text of the Tangku Agreement, the Ho-Umetsu Agreement, or the details of the Eastern Chahar Conference, or the results of the negotiations, have never been officially and wholly published.

But before the ink on the agreements was dry the Japanese militarists began to take action and to present more demands on the ground that "such-and-such was provided for in the such-and-such agreement." For example: Following the signing of the Tangku Agreement, Japanese militarists demanded the opening of through postal and railway service between North China and "Mukden" (in Manchukuo), on the ground that such is the "understanding" between the Chinese and Japanese negotiators when the Tangku Agreement was signed. China had to comply with the demand, despite the fact that such action is inconsistent with the Chinese announced policy not to recognize Manchukuo. On the other hand, whenever the Chinese take any step which China, as a sovereign state, could and should take, but which is not agreeable to the Japanese militarists, the Japanese militarists always accuse the Chinese authorities of having "violated such-and-such agreement." In case of movement of Chinese troops in the North, the Japanese militarists always claim that it is a "violation of the Ho-Umetsu Agreement."

General Chiang Kai-shek, in his speech before the meeting of the Professors and Students in Nanking, when he made a report on foreign affairs, was quoted as having assured the audience that "there are no other secret terms attached to the Tangku Agreement, except a few statements, 申合" (the word—申合—possibly comes from the Japanese language, and in absence of proper term it may be translated into "statements", and that "General Ho did not sign any agreement with General Umetsu." (Quoted from Dr. Hu Shih's article on "Open Diplomacy": See the *Independent Review*, No. 187). But in a letter, dated July 6, 1935, to General Umetsu, General Ho was quoted (possibly from Japanese sources) to have said the following (quoted from Dr. Hu Shih's article: See the *Independent Review*, No. 187), which, if roughly translated into English, may read as follows:

> "I have the honor to inform you that I agree with Chief-of-Staff Sakai on the matters raised by him on June 9, and that I shall, of my own initiative, endeavor to carry them out. (Signed) Ho Yin-ching."

But so far we know nothing about the "statement, 申合" of the Tangku Agreement, and the "matters" raised by General Sakai and accepted by General Ho,

The Past Practice of Keeping Agreements, Etc., Secret Should be Discontinued

It is not our purpose here to dwell so much on something in the past, save to point out a few facts which we hope very earnestly that the Chinese authorities will take cognizance of:

First: In the past the Chinese authorities, when under Japanese military pressure, are always too soft and too ready to conclude and sign any agreement suggested by the Japanese militarists. In doing so the Chinese negotiators think only to stop the further Japanese military actions or Japanese "advance," but never think that such agreement will produce "many disastrous consequences" on China afterwards. To stop the further military action by the aggressor is indeed imperative, but to stop such military action at the expense of signing an agreement which is bound to produce many disastrous consequences to the country is to take "poisonous pills" in the hope of curing one's illness.

Secondly, such agreement, unlike the ordinary treaties, is always accompanied by various "statements," "annexes," etc., which require no signing, but only verbal consent is necessary. It has been the policy of the Japanese militarists in the past that in forcing China to agree to the Japanese demands, the Japanese militarists would ask the Chinese to sign only one agreement, but not the various "statements", etc.,—so that when the text of the agreement is published, it appeared to be nothing serious. But there are other "statements," etc., which are more serious than the agreement itself. Inconducting the negotiations, the Chinese negotiators usually overlooked the importance of these "statements," etc., while the Japanese attach much importance to them, and regard them just as binding as the agreement itself. When the Japanese claim that it is "provided in such-and-such agreement," or it is a "violation of such-and-such agreement," they generally mean, not the agreement itself, but the many "statements," "annexes," "understandings," etc., attached to the agreement.

Thirdly, it has also been the policy of the Japanese negotiators to purposely employ ambiguous words and terms in the agreement, which are subject to various interpretations to suit the Japanese purpose. For example: Article 2 of the Tangku Agreement provides for the Japanese army to make observations "by aeroplane or other methods." What are these "other meteods," we ask? Will the sending of Japanese to make the observations be one of the "other methods"? As we know, the Great Wall in China traverses many provinces. Will the Provinces of Suiyuan, Ninghsia, etc., be considered as "to the Great Wall?" In conducting the negotiations, the Chinese negotiators usually overlook these ambiguous words and terms in the agreement, suggested by the Japanese militarists.

Fourthly, it has been a practice in the past that when such agreement is concluded, our Government either keeps the negotiations secret, or only publishes the text of the agreement, but not the other attached documents; and further anounces that such agreement is not in any way a violation of the Chinese sovereignty, etc., apparently, for the purpose of appeasing the Chinese public. But we believe our Government will appease the public more by telling us (1) the then existing condition; (2) the Japanese demands; (3) the details of the negoitations; and (4) the full terms of the agreement, so that the Chinese public as well as the world will know whether such-and-such is provided in, or a violation of, such-and-such agreement.

In other words we have every sympathy with our Government during these hard times, and what we want to point out is we should not be so soft in agreement, forgetting all its disastrous consequences to the country in the near future. The Chinese negotiators should not agree, nor make any promises in any other terms, expressly or impliedly, other than the agreement which they sign. The Chinese negotiators should be very careful of the wording and terms in the agreement. Lastly, our Government should publish not only the text of the agreement, but also all the attached documents, if any; but should not keep us in suspense or darkness.. To publish the diplomatic documents is to enlist more spmpathies from the Chinese public, while to keep the documents secret will have the very effect of arousing our suspicions.

Sino-Japanese "Anti-Red Pact"

That we again demand "open diplomacy" is not without reason. At present, we understand, after having pacified her condition at home after the military coup of February 26, and after forming the Hirota cabinet, Japanese military attaches and resident militarist espionage officers were in Tientsin last week. The Japanese militarists again pressed, under strong military pressure, for another "agreement" with Nanking, known as the Sino-Japanese Anti-Red Pact. Our experience tells us that the holding of such meeting of Japanese militarists in China generally anticipates that another storm in North China is coming.

The Sino-Japanese negotiations in North China had been going on for half a year when General Doihara was in China. At one time, the question was centered on the abolition of the Eastern Hopei "Government," as demanded by the Chinese; and on the other, the problem of taking "joint steps" to prevent communism in North China is the criterion of the discussion. But at any rate, it is now beyond doubt that the Sino-Japanese conference in Tientsin has agreed upon the abolition of the Eastern Hopei "Government," and the conclusion of the "Sino-Japanese Anti-Red Pact." But we demand strongly that our Government should publish the full text of the Sino-Japanese Anti-Red Pact, and all other documents attached to the Agreement, if any, as soon as it is signed; and further tell us the story of the negotiations.

Some "Doubts" and "Questions"

We demand this, first, because we are citizens of the Republic, and have every right to know what is going on in the country; and secondly, we have some "doubts" and "questions" in mind. As the Chinese saying teaches us "whenever we doubt, we think to ask 疑思問," so we wish to ask the following questions:

(1) According to the current report prevailing in the past few weeks, it is said that "negotiations regarding the conclusion of a treaty of 'friendship' between Manchuko and the Hopei-Chahar Political Council and a similar pact between Manchukuo and the East Hopei Autonomous Government are now under way, it was stated in responsible Chinese quarters." (See *North China Star*.) So we ask: Is there any such "understanding" or "possibility" that the Sino-Japanese Anti-Red Pact will lead to the opening of "treaty relations" between North China and Manchukuo? Should this eventuate, will be indeed fatal to China's before the world!

(2) Will the conclusion of a Sino-Japanese Anti-Red Pact and the ab olition of the Eastern Hopei "Government" lead to the establishment of another "political organ," similar to that of the

Eastern Hopei Government, which will control the executive and military affairs in North China, and which will be virtually "separated" from Nanking? We ask this question, not without cause for alarm. A report from the North has the following to say :—

"If the Chinese authorities could act along this line, the abolition of the Eastern Hopei Government world not become a question, etc." (*See Shun Pao dated April 28*).

"Although the Japanese side will not insist on the formation of a 'Sino-Japanese Anti-Red Committee' the Japanese opinion is that all the executive and military affairs in Hopei and Chahar should be under the control of another political organ, such as a committee; and in the least degree, it should be same as the Eastern Hopei Government. However, it is not necessary to have express provisions for these; in fact, the political power in North China must not be under the control of anybody, but it should possess the status of independence and should form a 'buffer organization.' When this is accomplished, Japanese anxiety will be relaxed."

(3) Will the Sino-Japanese Anti-Red Pact permit the Japanese militarists to stations Japanese troops in North China? Will the the present increase of "Japanese garrison forces" in North China be "another name" for stationing Japanese troops in North China? Again, we ask this question, not without cause for alarm. According to the report from North China, it says: "These rights (conceded by the Chinese under the proposed Anti-Red Pact) would include the stationing of Japanese troops at strategic points along the railways in Hopei and Chahar as well as on the borders of the two provinces." (See *Reuter's* report dated April 29). At present, the number of Japanese troops to be stationed in North China is variously reported. According to another report, it says: "In case of necessity, the Japanese militarists will take free action, and will build the 'first line of defence' along the Kalgan motor road." (See *Tai Mei Wan Pao* dated April 29).

(4) What price has China really paid for the abolition of the Eastern Hopei Government, established by the Japanese militarists a short time ago? If the abolition is paid for by the permission to station Japanese troops within Chinese territory, under various pretexts, China has indeed paid too heavy a price for the abolition, concerning which we express our disapproval and opposition.

One "Puppet" Abolished, But Another "Puppet" Appears

But, according to another report, it is said that "it is well known that the Japanese have been bringing great pressure to bear on Prince Teh (Inner Mongolia) in recent months to secede from Nanking, and it is considered quite likely he will be forced to make a declaration of independence." (See *Reuter's* report dated April 29). That is, before one "puppet" is actually put out of existence, another "puppet" is already in the making. As such is the case, it is more than useless for China to pay any price for the abolition of one puppet; and on the next day, she finds another puppet comes into existence. China certainly could not continue to pay "heavy prices" for the abolition of puppets, Nos. 1, 2, 3, 4, 5, etc.!

The Future of "H.C.P.C."

At present, as everybody knows, the H.C.P.C. (Hopei Chahar Political Council) is really not only a political council, but virtually a "government." Formerly, there were two committees under the Council, namely, Economic and Foreign Affairs. Only recently, another three new committees, namely, Communications, Reconstruction and Legal, have come into existence in rapid succession, with another one—Education—under discussion. According to the Law governing the Organization of the H.C.P.C. these committees are only to "study" their respective problems, but have no executive functions. But some time in February this year, the law was revised, and the committee of foreign affairs was the first one to gain the executive functions, so with other committees. In view of the fact that the Japanese militarists always "hope" for the coming into existence of a "new organization" (quoted from *Shun Pao* of April 28) in North China, and the current report that the Japanese militarists" will force the creation of a new development in the political situation in North China" (quoted from *Tai Mei Wan Pao* of April 29), we worry very much about the future of North China!

Economic Development of North China

According to another report, the Japanese not only demand that the H.C.P.C. "change their relations with the Central Government," but also should create a "new financial and economic situation in North China." By this, they mean:

(1) to construct railways and highways.
(2) to employ large Japanese capital for the economic development.
(3) to effect agricultural reforms, and to cause the Chinese raw materials to be shipped to Japan.
(4) to monopolize the Chinese markets in Hopei and Chahar with Japanese goods.
(5) to enforce "currency control" in North China, and to eliminate the influence of the "Chekiang Financial Clique" out of Hopei and Chahar.
(6) to realize the Chinese-Japanese-Manchukuo "economic bloc."

The Japanese militarists are further reported to have declared that "they want to see some tangible developments in this direction in the next three months."

According to the Japanese plan, they want to construct "four railways," which, when constructed, will be of great military importance. These railways are:

(1) Tsangchow-Shihchiachwang Railway will connect Tientsin-Pukow and Peiping Railways, and will reach Taiyuan (Shensi) by the Chengtin-Taiyuan Railway, on the west; and will reach Taiku (a sea port) by the Tientsin-Pukow Railway on the east. Thus, the famous coal in Shensi could be speedily shipped to Japan.

(2) Chengteh-Tsinan Railway: This railway will connect Chiaochow-Tsinan, Tientsin-Pukow, and Peiping-Hankow Railways. Thus the famous coal in Chinghwachen could been speedily shipped to Japan through Tsingtao.

(3) Peiping-Lanchow (Kansu) Railway: This railway is an extension of the Peiping-Suiyuan Railway to Lanchow, passing though the province of Ninghsia.

(4) Taitung-Taiyuan Railway: This railway will traverse the middle of Shensi, and will connect with Peiping-Hankow and Tientsin-Pukow Railways by the Chengtin-Taiyuan Railway.

While steps have already been taken for the early completion of the Tsangchow-Shihchiachwang Railway, the construction of their Paotau-Wuyuan Section of the Peiping-Lanchow Railway is also under preparation. When all these projects are in motion, more "doubts" and "questions" come to our mind.

Assurance Not Enough But, Open Diplomacy Wanted

As stated above, whenever a new development takes place, and whenever an agreement is reached, our Government always announces that there is no infringement of our sovereignty, etc. This time, it is again announced that the Sino-Japanese Anti-Red Pact will be concluded under the following conditions :—

(1) There shall be no violation of the Chinese sovereignty.
(2) There shall be no interference with Chinese domestic affairs.
(3) The H.C.P.C. will at their own initiative take action to defeat the communists.

But these "assurances" are by no means sufficient to clarify our doubts and answer our questions. What we want is that our Government should discontinue the practice of keeping the negotiations and the documents concerning the agreements secret, but should publish the full text of any agreement, and its attached documents, if any; as well as tell us the story of the negotiations—a policy which, for lack of a better term we call "open diplomacy".

Nanking, May 2, 1936.

Appeal of Julius Kleffel Comes Up in Kiangsu High Court

An adjournment was taken until May 16 at the Kiangsu High Court District Court in Shanghai May 9 after listening to the plea of Julius Kleffel, former manager of the defunct American-Oriental Banking Corporation, who has appealed from the decision of the District Court imposing a prison sentence of six months for "breach of confidence" in connection with the disappearance of $32,000 from the safekeeping vault of the defunct bank. Dr. O. Fischer, Dr. A. Grossman and G. Grove, appeared for defendant, who vigorously denied any knowledge of when the accounts in question were placed in the bank. He said he did not know that the funds were missing until after the bank had closed.

As against this it was given in evidence at the first trial by Compradore "Dick" Wang, of the bank, principal witness for the prosecution, that Mr. Kleffel knew all about the accounts, which, it was revealed, had been transferred from safe-keeping to call deposit. The former bank manager denied this and flatly asserted that the compradore was a liar.

At the appeal court hearing the Court asked whether or not Mr. Kleffel asked the compradore to transfer the Young account to call deposit. "Definitely not. It's a lie if any one says so," hotly declared Mr. Kleffel.

Mr. Kleffel requested that Dr. George Sellett, who has succeeded the late Mr. Hough as liquidator, should be called because he had investigated the case and knew what it was all about. He pointed out that Dr. Sellett might be able to give evidence that would help prove his (Kleffel's) innocence. In regard to Messrs. Raven and Feingold, Mr. Kleffel stated that the evidence they gave during the trial was correct but that errors had been made in the translation of their remarks from English to Chinese. He stated that he desired to have the appeal court provided with the correct version.

Outer Mongolia Since 1911

BY J. C. SHEN

FOR all practical purposes, the recently concluded pact of mutual assistance between Soviet Russia and Outer Mongolia proves that Russia is determined to keep Outer Mongolia intact from the Japanese in order to maintain the buffer state between herself and Japan. But the rapid unfolding of Japan's continental scheme during the last three or four years strongly suggests that Outer Mongolia is included in Japan's scheme for a Manchuria-Mongolian empire.

The comparative inferiority of her military force in Siberia and the uncertainty of the situation in Europe in the winter of 1934 influenced to a great extent Russia's decision to part with the Chinese Eastern Railway. Russia has backed out in Manchuria. But is she going to do the same thing in Outer Mongolia when the time comes for a complete showdown? On this answer which Soviet Russia will have to make, if it has not done so, will depend the probability of an armed conflict between Russia and Japan. As far as Japan is concerned, her plan seems to have been well set.

The historical relation between China and Mongolia began in the thirteen century, but it was not until 1691 that Outer Mongolia formally acknowledged her vassalage to China.

Every year until 1911, Outer Mongolia testified its allegiance to China by its annual tribute of eight white horses and one white camel, known as the "Nine White Tributes" in China.

Emperor K'ang Hsi had a Mongolian policy of his own, which remained in force until toward the end of the nineteenth century. The essential feature of this policy is Lamaism, a religion more pacific than any other religion in the world. It teaches the doctrine of reincarnation. The Mongols were encouraged to become Lamas, and Lamas are not allowed to marry. This led to the widespreading of venereal diseases among the Mongols. The moment the increase of population was arrested through diseases and degeneration, the Mongols lost their erstwhile vitality and strength. Emperor K'ang Hsi figured, and correctly, too, at that time, that this was the best way to hold the Mongols in check for all time to come.

Along side with this devitalizing process of Lamaism, the Mongol princes were each required to spend at least four months in Peking every year. Travelling back and forth on horseback, the Mongol princes spent a great part of every year on the way in addition to the four-month residence in the imperial capital. In this way they were deprived the leisure and energy necessary for fomenting discontent among the tribes.

Laws were also promulgated forbidding Chinese emigrating into Mongolia. Intermarriage was also prohibited. But toward the end of the Manchu dynasty, due primarily to the steady encroachment from Russians, it was soon realized that further continuance of the Mongol policy would not only work disaster to China as a nation but to the Manchu dynasty as well.

Legislative Barriers Removed

But the situation toward the end of the last century was imperative. To head off a possible Russian occupation of Mongolia, one legislative barrier after another was removed, to encourage and facilitate the migration of Chinese from North China into Mongolia and Manchuria. Laws against intermarriage between Chinese, Mongols and Manchus were also repealed. China did not fear the Mongols so much as she feared the Russians who were behind the Mongols. Between the years 1907 and 1911 no less than three Russian "missions" of one kind or another visited Outer Mongolia. One of them went back to St. Petersburg to recommend the immediate construction of a railway from Lake Baikal to Urga. An "economic" mission visited Urga in the early part of 1911.

The Chinese government was naturally startled. Consequently actions were taken to send a Chinese military delegation of some sixty-five officers to Urga. Barracks were built and Mongol soldiers were recruited. The intention was to garrison two thousand men at Urga by the end of 1911, and later to increase the figure to 10,000 with garrisons at other important points. Before the revolution of 1911, over 400 barracks sufficient to accommodate two thousand troops had already been built.

At the same time, new government offices were established and to run them required new taxes. Mongols, like any other people, did not enjoy being taxed. What is more, they were frightened at the more or less abrupt change in the Chinese policy. Hence, there arose a great deal of resentment and hostility against the Chinese and their administration in Outer Mongolia. Coupled with the presence of a few Russian schemers and intriguers, the Mongols were cajoled to action in 1911.

In May 1911 the Mongols sent a delegation to Russia to solicit the good offices of the Czar to intervene on their behalf against the Chinese intrusion. The Russian minister in Peking was subsequently instructed to deliver a note to the Chinese government, saying that Russia, bordering on the Mongolian frontier, could not be indifferent to any violent change in the *status quo* of that territory, "a change which would necessarily affect the peace of the border and ultimately endanger the 'cordial relations of the two governments." The note concluded with a veiled threat that should China fail to take heed of the Russian advice—calling for moderation in China's policy in Outer Mongolia—Russia would reserve to herself the liberty to take whatever measures she might see fit to insure the safety of the Mongolian frontier.

The Chinese government, in its reply to the Russian note, assured that in the administration of Mongolian affairs, the interests of the Mongols would be given first consideration. But the outbreak of the Chinese revolution in Wuchang in October, 1911, tied the hands of the Manchu government and the Mongols and Russians were thus given a free hand in Outer Mongolia.

The Chinese Resident, highest Chinese authority in Urga, was ordered to leave with his officers and guards in three days. The Mongols claimed that since they were committed to be loyal to the Manchu dynasty, their allegiance had come to an end with he establishment of the republic in China in 1911.

In November 1911 Outer Mongolia declared its independence from China. Hutukhtu, the theocratic ruler of the land, was proclaimed Great Khan of the Mongols with great ceremony and pomp. The Russian Czar presented a number of Russian guns to be used as models for the new Mongolian army shortly to be formed. To prepare themselves against the threatened Chinese invasion, the Mongols engaged the services of Russian officers to train the Mongols. Ammunition was bought. One of the first acts of sympathy of the Russian government to the Mongols after the latter's declaration of independence was a loan of 2,000,000 rubles mortgaged on the mines in Mongolia.

However, it would not be accurate to attribute territorial designs to the Russians in the year 1911. Their primary interests in Outer Mongolia consisted of a desire to preserve a buffer state between Siberia and China, not out of any real fear for a Chinese military invasion, but rather because of economic considerations. The Chinese have a capacity of out-living any non-Oriental peoples in the economic sense. Then, the Russians would not like to see a Chinese modern military force in Outer Mongolia, as it would constitute a constant menace against her long line of communication with the Russian Far East. Thirdly, the Russians would like to preserve Outer Mongolia as a field for future expansion and exploitation, a task which they were not exactly prepared to do at that time, in view of the relative backwardness in Siberia itself.

China naturally refused to recognize the independence of Outer Mongolia just as she has been refusing to recognize the independence of Manchukuo. Strong protests were lodged at St. Petersburg. When it was known that Russia had entered into an agreement with Outer Mongolia on November 3, 1912, whereby Russia recognized the autonomous status of Outer Mongolia, public sentiment in China was drifting toward war despite the fact that China at that moment could not afford to wage war against anybody. Nor was Russia interested in a Far Eastern campaign, her attention being absorbingly occupied with the troubles then brewing in the Balkans. This paved the way for a timely compromise which was duly consummated in the Russo-Chinese Agreement of November 5, 1913.

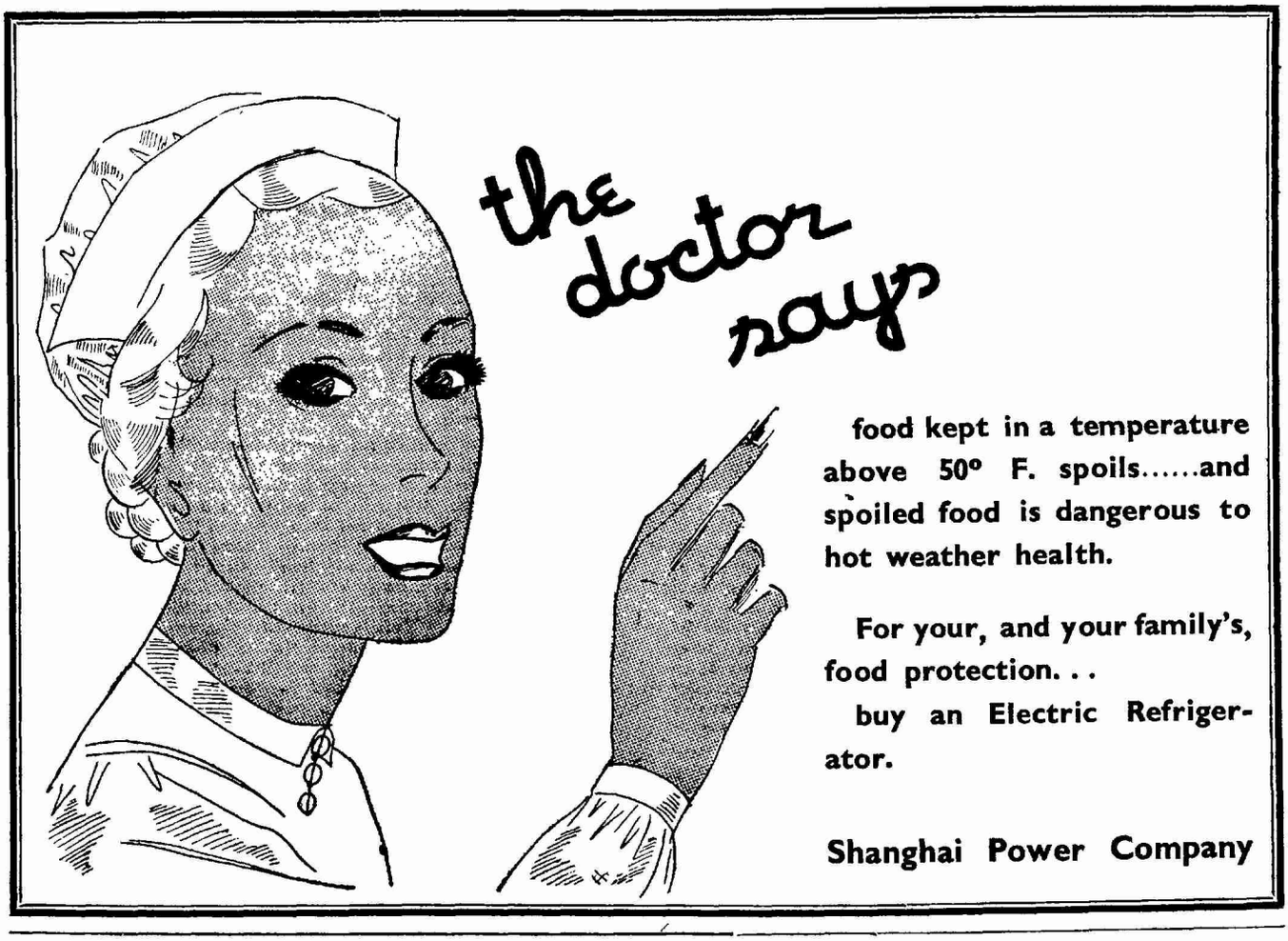
Russia Recognizes Suzerainty of China

In this agreement, Russia recognized that Outer Mongolia is under the suzerainty of China, while China recognized the autonomy of Outer Mongolia. Both Russia and China pledged not to intervene with the internal administration of Outer Mongolia, nor to keep any troops, nor to colonize the territory. In the notes exchanged, Russia recognized that Outer Mongolia forms a part of the Chinese territory. But as regards questions of a political and territorial nature, the Chinese government shall come to an agreement with the Russian government through negotiations in which the authorities of Outer Mongolia shall take part. In short, China was to continue enjoying the prestige of being Outer Mongolia's sovereign state, but to share with Russia the right of supervision and protection in that territory.

Despite its obvious disadvantages from the point of view of Chinese rights and interests, the agreement was regarded as a diplomatic victory for the Chinese republic. The new government was pleased with the fact that it had succeeded in retaining Outer Mongolia as an integral part of the country, at least in theory, and that its sovereignty over Outer Mongolia had at last been sanctioned by the law of nations. The Russians were also satisfied at the fact that they had compelled the Chinese to concede to them vast commercial privileges in Outer Mongolia. These trade privileges were granted by Outer Mongolia to Russia in the 1912 agreement, the principles of which were later recognized by the Chinese government.

But the Mongols were not pleased, because the Russo-Chinese agreement was negotiated over their head. But things were finally patched up in the tripartite agreement of June 7, 1915. It has the following important articles:—

> Art. 1.—Outer Mongolia recognizes the Sino-Russian Declaration and the notes exchanged between China and Russia on October 23, 1913.
>
> Art. 2.—Outer Mongolia recognizes China's suzerainty, China and Russia recognize the autonomy of Outer Mongolia forming part of Chinese territory.
>
> Art. 3.—Autonomous Outer Mongolia has no right to conclude international treaties with foreign powers respecting political and territorial questions.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As regards questions of a political and territorial nature in Outer Mongolia, the Chinese government agrees to conform to Articles 2 of the note exchanged between China and Russia in October 23, 1913. (The article in question provides for Russo-Chinese negotiation with the participation of Outer Mongolian representatives.)

In the remaining articles of the tripartite agreement, China and Russia reaffirm their agreement of 1913 as regards their non-intervention with the internal administration of Outer Mongolian affairs. Neither China nor Russia was to station troops in Outer Mongolia with the exception of a limited number of consular guards and escorts. In matters other than those territorial and political in nature, the autonomous government of Outer Mongolia has the right to conclude agreements with foreign countries.

In 1914 Outer Mongolia signed two agreements with Russia. In the first one Outer Mongolia conceded to Russia the right to construct a telegraph line between Kosh-Ayatch and Kobdo and the right to exploit, and have control of, this line, which would rest absolutely upon the Russian administration of Post and Telegraphs. In the second agreement, Russia recognizes Outer Mongolia's right to construct railways in its own territory. But, should the Mongols desire to grant a concession to a private person, they must first consult Russia. If any assistance should be needed, Russia would give it. Later in 1926 another Mongol-Russian railway agreement was signed for the construction of a railway between Urga and Chita.

Before 1914 Japan did not take any active and aggressive interest in Outer Mongolia, her primary concern as evidenced in the negotiation of the treaties of 1915 on the basis of the famous Twenty-One Demands, being in Manchuria and Eastern Inner Mongolia. In her secret agreements of 1907 and 1910 with Russia, Japan undertakes to recognize and observe Russia's special interests in Mongolia to the west of the Peking meridian, while on the other hand Russia undertakes to respect Japanese respects in Inner Mongolia east of the meridian.

But things began to take on a different aspect after the Russian revolution of 1917. The allied intervention in Siberia for the ostensible purpose of rescuing Czechoslovakian troops trapped in Asiatic Russia gave the Japanese an ideal opportunity to try out its Mongolian-Siberian schemes. Japanese money, men and materials poured into the hands of Ataman Semenoff, leader of the White Russian guards on the Siberian-Mongolian border. Claiming that he had Mongolian blood in his veins, Semenoff was trying to put into execution his plan for a Pan-Mongolian State. This state would include Inner and Outer Mongolia, the Transbaikal districts, Hulunbuir and Tibet.

Two conferences of Mongolian princes were called, the first one in March 1919 and the second one in the later part of the same year. It was decided at the second Mongol conference that a unified government be organized in these districts with Hailar as the seat of the government. It was also decided to send a delegation to the Paris Peace Conference to seek recognition by the Powers.

An American Sent as an Envoy

Subsequently Captain Barrow, an American adventurer under Semenoff, who had at that time been made a Mongol prince, was actually dispatched to appeal to President Wilson on the basis of the principle of self-determination. But the allied statesmen at Paris would not tamper with so ambitious a scheme, as it involved the inter-relations of China, Russia, Japan and Great Britain. The last mentioned Power's interests in Tibet were necessarily involved.

Meanwhile, Japanese agents were sent to Urga to interview the Hutukhtu in an attempt to get the latter's endorsement for the decisions reached at the Mongol conference. But Outer Mongolia was lukewarm, more or less opposed to such a movement for complete independence from China. The advancing Red forces, however, nipped Semenoff's pet scheme in the bud. Thus was frustrated an intrigue, which if actually carried out, would mean a Japanese-dominated Mongolian state, as it was Japan which had so liberally supplied Semenoff with funds and firearms.

Not to be daunted, Japan soon found in the Anfu clique, then in power in Peking, a handy tool for her imperialistic purposes. Following the armistice in Europe in 1919, the so-called War Participation Bureau in Peking was converted into a Northwestern Defence Force with General Hsu Shu-tseng as the defence commissioner. General Hsu, better known in China as "Little Hsu", was an ambitious and scheming military politician. It was his determination to bring about the cancellation of the autonomous regime in Outer Mongolia. First he moved his troops to Urga. Then, with one clever stroke of diplomacy backed up by a little show of force, he succeeded in wrenching from the Mongolian government a "voluntary" cancellation of its autonomy.

The Chinese government declared that with the abrogation of the autonomous regime in Outer Mongolia automatically went all the international agreements entered into during the period 1911-1919 between China, Russia and Mongolia.

The Russian government naturally protested, contending that the Chinese action was a direct breach of her international obligations. The Chinese retorted, however, that as the Mongols on their own accord broke away from China in 1911-1912, so they had the same right and option to return to China, if they should so desire. Furthermore, in view of the fact that the cancellation

was voluntary and unanimously consented to by the people of Mongolia, China could not but recognize the Mongols' petition as indicative of the popular will of the Mongol people and grant their desire accordingly.

Much to their chagrin, the Russians found the same sort of argument which they used to help Outer Mongolia get its autonomy in 1911-1912 used with dexterity by the Chinese for a diametrically opposed purpose in 1919. But China was not the last one to laugh as will soon be seen.

To appease the Russians, however, the Chinese government declared that all the commercial privileges which Russians had been enjoying by virtue of treaty stipulations would be fully guaranteed in so far as they did not jeopardize the sovereign rights of China in Outer Mongolia. As she was then having enough trouble internally, Russia did not press its claims to their logical conclusion, which might mean war with China.

General Hsu's reign in Outer Mongolia was one of ruthlessness and utter indiscretion. In more instances than one, he unnecessarily antagonized the Mongols. He negotiated a $15,000,000 (Chinese currency) loan with the Sino-Japanese Exchange Bank, using the mining and agricultural resources in Mongolia as securities. Public opinion in China began to turn against the Anfu clique because of its weak-kneed policy toward Japan, as it looked more and more as if Japan was going to become the real benefactor of the new situation in Outer Mongolia. The Anfu clique was overthrown in 1920 and with it went General Hsu as governor of Outer Mongolia.

In October 1920 Urga was attacked by Baron Ungern von Sternberg, a former subordinate of Semenoff. He was repulsed by the Chinese troops guarding the city. But he came back with a larger force in February 1921, and after a bitter battle took the city. The Chinese government in Peking ordered Marshal Chang Tso-lin, the late Manchurian warlord, to send a punitive force into Outer Mongolia against Baron Ungern. But it was later found that he was working hand in glove with Baron Ungern for the overthrow of the Chinese regime then in existence in Peking.

The Ungern operations and other White intrigues in Outer Mongolia, in most of which Japan was a silent participator, gave the Soviets a good excuse for intervention. In May 1921 the Red troops crossed the Siberian-Mongolian frontier and pushed toward Urga. Baron Ungern was subsequently arrested and executed. The Mongolian Living Buddha, who had escaped before the attack of Baron Ungern's bandits, was restored to his honored position but with all his political powers clipped by the new Mongolian Revolutionary Government formed in May 1921.

Soviets Perform a Master Stroke

Having brought about the revolutionary government, the Soviets performed a master stroke by extracting from it an appeal to Moscow, requesting that the Red troops should not be withdrawn from Mongolia "until the complete removal of the menace from the common enemy . . . ." Needless to say, this appeal was most graciously acceded to by Moscow. The next step of Soviet Russia was to enter into a secret agreement with the Mongolian government, whereby Russia and Outer Mongolia recognize each other as the only governments in the territory of Russia and Mongolia. They also agreed mutually to respect each other and not to allow on their territory the formation of groups, or the recruiting of troops hostile to one of the contracting parties.

Judging by the Russian feats in Outer Mongolia in 1921-1922, Japan did not do anything unusually new in Manchuria in 1932 when she helped to bring about the establishment of an independent Manchukuo. Japan's treaty of alliance with Manchukuo signed on September 18, 1932, the first anniversary of her conquest of Manchuria, secured to herself the right to keep her troops in Manchuria. This in no way differs much from what Soviet Russia did in Outer Mongolia in 1922 when it obtained from the latter an appeal for the maintenance of Red troops there.

The Red intrigues in Outer Mongolia were executed in total disregard of Russia's own declarations of 1919 and 1920, wherein the Soviet government declared null and void all treaties between China and Russia that were entered into during the Czarist regime, and also declared its readiness to give back to China all territorial and political gains which the Czarist government had obtained from China.

But China at that time was in a difficult position. None of the great European powers had recognized the Red regime in Russia. So for China to break off with the old Russian government would not only incur the displeasure of the powers, but would also expose China to a hazardous situation, for the new government in Russia was still more or less an unknown quantity.

Then there was also the question whether Soviet Russia meant what she said when she declared that she would return to China without compensation what the Czarist government had taken away from her. Apparently, the Soviets were merely dangling before the Chinese eyes the possible gains coming out of a formal recognition. In other words, Russia held the numerous Russo-Chinese issues, including Outer Mongolia, as an important lever to secure Chinese recognition of the Soviet regime in Russia.

All these issues remained unsolved until the Koo-Karahan agreement of May 31, 1924. In Article V of the agreement bearing on Outer Mongolia, we find the following provision:

> "The government of U.S.S.R. recognizes that Outer Mongolia is an integral part of the Republic of China and respects China's sovereignty therein.
>
> "The government of U.S.S.R. declares that, as soon as the question for the withdrawal of all the troops of the U.S.S.R., from Outer Mongolia—namely, as to the time limit and the measures to be adopted in the interests of the safety of the frontiers—are agreed upon at the conference as provided in Article Two of the present agreement, it will effect the complete withdrawal of all the troops of the U.S.S.R. from Outer Mongolia."

Article Two of the Koo-Karahan agreement provided for the holding of a Russo-Chinese conference one month after the present agreement went into effect. But no such conference was held until about a year afterwards. In the summer of 1925, Soviet Russia informed the Chinese government that in accordance with the Koo-Karahan agreement, it had withdrawn all its troops from Outer Mongolia. But by that time Outer Mongolia had already so gravitated towards Russia that the presence of Red troops was no longer necessary.

From the Koo-Karahan agreement of 1924 to the outbreak of the Manchurian situation in September 1931 the status of Outer Mongolia underwent no change as far as China and Russia were concerned. While it is still an integral part of China's territory in theory, Outer Mongolia has in fact become a Soviet protectorate with a Soviet form of government functioning in the territory from 1924 onward. China and Russia broke off their diplomatic relations in 1927 as a result of their controversy over the Chinese Eastern Railway and also over the question of communistic propaganda in China. They became friends again in 1933 when during the heat of the League of Nations' discussion on the Sino-Japanese conflict in Manchuria, the Chinese and Russian delegates at Geneva announced that their two governments had come to terms regarding resumption of normal diplomatic relations between them.

But Japan's conquest of Manchuria has changed the whole situation. Japan started out with the creation of a new regime in Manchuria entirely independent of China. This represents a step forward from what Russia did first in 1911 and then in 1921. In both instances, Russia only wished to see Outer Mongolia autonomous, but nominally remaining a part of China.

What indicates a more aggressive Mongolian policy on the part of the Japanese is the fact that they set aside a territory in Manchuria about 100,000 square miles in area almost as large as France, and call it Hsingan province from the Hsingan Mountain. Of the 5,000,000 Mongols all told, about 2,000,000 are found in this territory. This province is given a greater degree of autonomy than any other component parts of Manchukuo. The Mongol princes are permitted to rule their tribes in their ages-old way, of course with Japanese assistance and supervision. This province is bordered on the north by Siberia, on the west by Outer and Inner Mongolia and on the south by North China. Because of its geographical position, it forms a convenient fulcrum for the Japanese in the execution of their scheme for a Mongolian-Manchurian empire on the continent.

What once was Inner Mongolia is now under Japanese domination. Jehol, which the Japanese have always chosen to speak of as Eastern Inner Mongolia, has become part of Manchukuo. The Chinese provinces of Charhar and Suiyuan, which were benefitted by the inclusion of a considerable portion of Inner Mongolia in the past, have also fallen within the sphere of Japanese influence. Thus, the Mongol princes of Inner Mongolia, who after a verbal struggle with the Chinese government in Nanking in 1933, have succeeded in marking off their land from Chinese colonization, eventually find themselves under the big, dark shadow of Japanese occupation.

Until the Japanese intervention of 1931, two main forces were at work among the Mongols. In Outer Mongolia a Mongol nation was being built under Russian guidance and influence. Throughout Inner Mongolia the Chinese were advancing and the Mongols were being gradually deprived of their pasture lands. The presence of Japan on the scene has decidedly increased the poignancy of a Russo-Japanese struggle over Outer Mongolia.

No Japanese continental policy can be complete without an active Mongol policy. Japan does have one, as proved by the creation of the Hsingan province and her recent encroachment upon North China and Inner Mongolia. This has brought Japanese-controlled Manchukuo closer to Soviet Russian-controlled Outer Mongolia. A new Mongolian frontier has thus been created. It is so vulnerable for both Russian Siberia and Japanese Manchukuo that it cannot stand long without a test of strength.

As the matter now stands, the initiative lies with Japan rather than with Russia. The whole Russian policy in the Far East is essentially and necessarily defensive in character. Its policy in Outer Mongolia is no exception. Russia wants to see Outer Mongolia grow stronger and remain intact from Japanese domination.

But the question remains to be answered: Will Soviet Russia tolerate a Japanese-Manchukuoan invasion of Outer Mongolia? China, the sovereign state of the land in dispute, is out. It is up to Japan to act and up to Soviet Russia to react or counteract. That is the gist of the Mongolian situation!

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S.M.R. Proposes to Raise Yen 436,000,000 for New Project

The South Manchuria Railway Company proposes to raise 436,000,000 yen to carry out its projected five-year improvement plan. Of this amount 270,000,000 yen is to be procured in the 1935 fiscal year and 130,000,000 yen in the 1936 fiscal year by extending the debenture-issue limit; and 36,000,000 yen to be procured in 1937 by calling in unpaid shares.

This huge sum is to be spent as follows: 102,000,000 yen for construction of new lines; 165,000,000 yen for improvement of existing lines and rolling-stock; 40,000,000 yen for "special enterprises" within the S.M.R. Company; 53,000,000 yen for investments in subsidiary companies; and 66,000,000 yen for a reserve fund.

Present plans call for investments in an aluminum company, an alcohol manufacturing company, and the proposed coal liquefaction plant at Fushun.

Reuter says the proposed fund does not provide for any S.M.R. economic project in North China. If the S.M.R. should decide to launch forth in North China, it is understood funds will be made available from sources other than those contributing to the company's five-year plan.

Coal Liquefaction Plant at Fushun Will Cost Yen 14,000,000

Bearing with him the Government approval of the South Manchuria Railway Company's project for a large-scale liquefaction of coal, Yosuke Matsuoka, president of the Yen 800,000,000 firm, returned to Dairen May 10 from a brief visit to Tokyo. The Company, Mr. Matsuoka told newspapermen, will spend Yen 14,000,000 in the next two years for the construction of a test coal liquefaction plant in Fushun. Of this amount, Yen 4,000,000 will be spent during the current fiscal year. The project, Mr. Matsukoa emphasized, is not a mere industrial undertaking on the part of the Company, but an enterprise of "national importance."

Bandits Threaten Jehol West Border

Precautions are being taken by the Jehol Provincial authorities to prevent the incursions of about 200 bandits operating along the western border of the province. According to reports from Tatan, on the western edge of the province, the bandits, who originally numbered about 60 men, have been joined by members of the Huhcha and Hingchiang secret societies. They are now said to be threatening Kuyuan in Chahar Province.

Four Japanese Officers Killed by Volunteers in Manchuria

Four Japanese military officers were killed on May 4, when several hundreds of Chinese anti-Japanese volunteers launched an attack against the Japanese military headquarters at Yangshan, near Wuchang *hsien*, according to belated reports received in Harbin.

1,370 Soviet Citizens Become "White" Russians

Soviet citizens who have taken out "emigre" papers since January, 1935, thus joining the ranks of the "White" Russians residing in Manchukuo, number 1,370, according to a survey prepared by the Harbin Police authorities and the Bureau for White Russian Affairs.

Jehol Mongols to Get Self-Government

Mongols of Jehol Province are to be granted self-government under the terms of a bill drafted by the officials of the Manchukuo Department of Civil Affairs. Prior to its promulgation, the measure will be submitted to the State and Privy Councils of the Manchukuo Government for approval.

Meiji University Donates Sake to Army—Doihara Accepts

Lieut.-Gen Kenji Doihara, former director of the Special Service Division of the Kwantung Army in Mukden and now commander of the remaining units of the First Division in Tokyo May 11 accepted two barrels of sake and several dozen cases of beer donated by the Meiji University baseball team for distribution among soldiers serving in Manchuria.

Japanese Garrison in North China to Be Increased to Over Five Thousand

The Japanese troops stationed in North China will be reinforced by the end of this month, according to information from Tientsin Japanese military sources. The total strength of the reinforced Japanese garrison in North China is expected to be around 5,600 men as against 2,800 at present. The Chief of Staff of the Japanese Garrison Headquarters in Tientsin will be promoted from the rank of colonel to that of major-general. However, there are other reports from Tokyo indicating that a full division of 10,000 troops may he stationed in North China.

Brother of Japanese Emperor Returns to Japan After Tour of Manchuria

After making an extended tour of North Manchuria, Prince Takahito Mikasa, youngest brother of the Emperor, arrived in Dairen May 5, together with 393 of his fellow-students at the Tokyo Military Academy. He spent the last night in Port Arthur, in the morning making a tour of the battlefields around the city where thousands of Japanese lost their lives in the capture of Port Arthur in the war of 1904-05. He later boarded a warship on his return to Japan.

Anti-Flood Projects in Hupeh Pushed as Heavy Rains Continue

BY THE REVIEW'S HANKOW CORRESPONDENT

DUE to the heavy rains causing a sharp rise in the Yangtze river, and reflecting on the narrow escape Hankow had from the flood last year, the city fathers have now voted to raise the retaining walls to a common level of 56 feet. Meeting May 8th in the Victoria Hall, the ratepayers of the Special Administrative District No. 3 (ex-British Concession) under the chairmanship of Director T. T. Quo, voted an appropriation of $60,000 to complete the raising of the present dike wall to the new high level.

Similar Action by Other Municipal Boards

The Director of the S.A.D. No. 3 also announced that the active cooperation of all other municipal boards in all the Concession and Special Administrative areas had been obtained already. There seemed to be perfect unanimity in the plan of taking adequate precautions against the possibilities of another flood in 1936. Although it is too early to make any reliable forecast as to the probabilities of another flood this year, all are agreed that it is not too early to mobilize all possible efforts to safeguard Hankow from any such disaster as that of 1931.

Governor Yang of Hupeh Leaves for Nanking Meet

General Yang Yung-tai, governor of Hupeh, left on the 8th of May for Nanking, to attend the Conference of Provincial leaders called by Gen. Chiang Kai-shek. With him traveled his secretaries, Messrs. Chen Fang and Chi I-fen. Governor Yang will report to the Conference on progress made in Hupeh in the matter of coordinating and amalgamating of various offices in the provincial government in Hupeh.

Hupeh Governor Reports on Dike Building

One of the most important projects undertaken by the provincial authorities this spring is that of rebuilding or strengthening the dike system in Hupeh. Ravaged by the floods of last summer, the dike protection in most parts of the province was sadly disorganized. Huge sums of money have been appropriated both by provincial and municipal authorities to bring the dike system into a better shape of repair than ever before. In fact, the national government has also voted several large sums of money to be expended in Hupeh to help safeguard the populace from possible floods.

Governor Yang has prepared a report on the observations made during a recent tour of inspection. The main project visited early in May was the Yao Dike. He and General Ho Cheng-chun and Liu Shou-peng, Hupeh Commissioner of Reconstruction, found that the dike measures 18 kilometers in length and 14 meters in height, while the width of the top and the base are 7 and 100 meters, respectively. Rebuilding operations have been going on since last December. Altogether there are more than 100,000 farmer-laborers at work on this one project alone. Order and hygienic conditions in the labor camp were found satisfactory. Up to May 6th about 70% of the work had been completed. The completion of this Yao Dike project is expected by June 20th, or earlier.

Dr. Hsiao, Popular Foreign Commissioner, Leaves Hankow

Due to plans of reorganization of the National government policy in regard to foreign commissioners, the office of foreign commissioner for Hupeh and Hunan has been abolished for the time being. Theodore Hsiao, Ph.D., who was in charge of this office until the 1st of May, left on May third for Nanking, where his work will be in the Ministry of Foreign Affairs.

Farmers' Loan and Savings Department

Through the untiring efforts of the new Governor, General Yang Yung-tai, measures for the immediate relief of the farmers in the famine-stricken areas in Hupeh are to be drawn up, seeking to help by means of loans at low rates of interest. The Hupeh Provincial Bank has appropriated the tidy sum of $1,500,000 for this purpose. This will be used in an attempt to get poor farmers back on their feet. Branch banks have been established in strategic centers, Kwangshui, Suihsien, and Sungpu, while three more are to be opened in the near future in Hsinti, Hsuentao, and Yanglutung.

Flood Relief Commission Distributes Funds

Although it has not had too many funds available, still the Hupeh Provincial Flood Relief Commission has voted the following additional sums for the various centers given below:

Hsiangyang and Fancheng	$3,000
Chihkiang	$3,000
Anlu	$2,000
Paokang	$2,000
Yenshan	$2,500
Total	$12,500

The needs of the suffering masses is beginning to be felt acutely now before the wheat harvest. The late rains have been rather threatening this spring. In some localities the rust has played havoc with the wheat crop and that of other early grains. Unless the sun comes out many farmers have little hope of any adequate wheat crop this year. In many instances this would work hardship on thousands and tens of thousands of families. It would mean that virtually thousands would starve to death in the course of the summer months.

Missionary Organizations Trying to Meet Needs

British, American, Swedish, Norwegian, and Finnish missionary societies operating in Central China have been seeking to meet the needs of the people they come in contact with, also in the matter of social and material aid. Food and clothing and seed grain have been distributed by these various organizations during the past winter and spring months. Even though these organizations have not had huge funds to draw from, yet they have sought to meet the most urgent needs in every community. Some of the most recent funds sent out were from the United Missionary Appeal made in Great Britain during the past winter. The funds were distributed by an international group, the Hupeh Christian Council Preparation Committee, with headquarters in Hankow. Thousands of lives will be saved through the efforts of the government and these missionary agencies.

May 12, 1936.

American Public Opinion and the Far East*

BY ALFRED C. T. LI, Ph.D.

DURING the 11 years of my sojourn and five years of extensive tour in the United States I had the opportunity of coming into contact with a large number of Americans of all shades, including judges, congressmen, state legislators, businessmen, professionals, and above all, the rank and file of the American people. That the popular sentiment of the American people has a great deal of weight upon the action of their government is to be assumed as a foregone conclusion.

During my friendly chats with American friends, I found that a fear was prevailing that America might plunge into another war with Hoover continuing to slap Japan. They felt, after all, it was none of their business to side with China. Despite a keen interest shown by the American newspapers toward Japanese action in Manchuria, the press reports about the Manchuria incident were often tinged with traces of propaganda of Japanese origin. While the press in the eastern part of the United States generally showed a more favorable attitude, the public opinion in the agricultural states of the Middle West manifested either an air of indifference or despair in the whole affair of China.

The service clubs (luncheon clubs) in America, especially the Rotary Clubs, have shown a remarkable understanding of China. Among the 300 Rotary Clubs at which I appeared I found that the spirit of cordiality prevailed. While no less friendliness was shown to me by the 500 high schools I visited, there was a general attitude of indifference among the youngsters.

The most unpleasant experience I had was with a high school in the northern part of New York. I spoke on Manchuria that day. I outlined the "Continental policy" of Japan. I showed my audience the Machievellian motive of the Island Empire. In conclusion I emphasized the fact that Japan's ultimate aim was the domination of the Pacific, which would present a direct threat to America. The principal of the school was so incensed over my talk that he frankly told me in his private office that he regretted that he had had me there.

Religious Elements Feel Disappointed

The pulpit opinion of America, taken as a whole, especially in small country churches is not too friendly towards China.

If I may be permitted to generalise, the sum total of the public opinion in America is not with us. From my personal observation there are at least three reasons attributable to this attitude of indifference: (1) special motive of some Americans; (2) poor impression made by some of our compatriots in America; (3) poor publicity on our part.

The religious elements in America, particularly those churches which are more dogmatic in their doctrine, feel rather disappointed in the Chinese situation. They seem to have the feeling that their mission investment in China has been in vain. The press reports of the frequent capture of missionaries by bandits in China, helped them to jump to hasty conclusions and to form their preconceived notions of everything Chinese. On the other hand, a large section of the returned missionaries from China gave them a not too hopeful picture of our country, and often rather misleading information. To aggravate the situation, some of our compatriots contribute in

*This is condensed from an article of much greater length. The subject treated here was discussed in an editorial in 'The Review' last week.

no small degree to alienate the sympathy of America for us. Many of my fellow returned students will substantiate my view on this. Our hoodlum elements in the Chinatowns and some of our compatriots in the laundry business, by their habits and behavior, have conveyed to the American public mind a rather uncongenial view of China. Fiction stories were written about them. Moving pictures were produced on China on their settings. In my travels I found quite a number of Japanese businessmen who were members of service clubs in the States. For example, in Vermillion, Ohio, there was a Japanese restaurateur who was a member of the Rotary Club of that city. Now and then I found Japanese photographers and doctors. But few Chinese were found in any other business outside of laundry and chop suey business. Some few of them are farmers. The sad thing is that the world, it seems, is still being misled by outward appearances and forms. However, in a little town in Michigan, called St. Johns, I was happy to discover that there were two Chinese doctors, one of whom was considered a pillar of one of the local churches. Aside from a few Chinese doctors practising in the Chinatowns, practically all of our people in America are engaged in the laundry and chop suey work.

While the Japanese propagandists were extremely active our country has not made enough efforts to make our case better known to the American public. Although such an organization as the China Institute is doing much to disseminate information concerning China, the Chinese information service in America lacks efficient organization. It is surprising how little knowledge the rank and file of the Americans have about China.

Perhaps it seems to us that efforts at educational work in America are not worth our while, because many hold the view that such can be utilised in other seemingly more profitable and productive fields. Those who hold this view argue that the salvation of China lies in our own strength. I certainly take my hat off to those who are taking such a stand. But I cannot agree with those that public opinion abroad plays no part in a national issue. Just imagine what might have happened if the public opinion in America were entirely with us in our present crisis. I have often told my audience in America that they need have no fear of a war with Japan. The United States has a far cheaper weapon that can bring the Samurai race to their senses. The United States is Japan's greatest customer and absorbs about 40 per cent of Japan's foreign trade. If America enforced an economic boycott against the Island Empire, Washington could wring Japan's neck so tightly that it will need no further strangulation to perform the trick.

Unfortunately, public opinion in America has not yet arrived unanimously on taking this wise course. The exporters and importers of that country are still thinking in terms of dollars and cents. If public opinion in America can be convinced of the real motive of Japan, if the Americans could be told that Japan wants nothing short of a complete subjugation of China, and if it could be shown that the domination of the Pacific by Japan would threaten the very safety of the American Continent, I believe the American public in general will cease shrugging their shoulders in seeming indecision.

Tokyo Film Company Makes Picture Showing Japanese Naval Activities in China

Scenes at the Champions Race Meeting of the Shanghai Race Club last week were recorded on motion picture film by a crew of four Japanese cameramen of the Shochiku Cinema Co., of Tokyo, who came to Shanghai to make a picture depicting the activities of the Japanese Navy in China and the surroundings in which it operates.

Shanghai Motion Picture Experts to Work for Nippon Cinematograph Co.

Boris Popoff and Nicolai P. Petroff, color motion picture specialists, departed from Shanghai May 13 for Japan where they will report for work with the Uzumasa Studio of the Nippon Cinematograph Co., Ltd. near Kyoto.

Chekiang to Have Green Tea Experimental Station

The Reconstruction Department of the Chekiang Provincial Government has completed plans for the establishment of a green tea experimental station at Santienchen in northeastern Chekiang for the purpose of improving tea production in the province. Statistics show that one-third of the annual yield of green tea in Chekiang is grown in disricts surrounding Santienchen.

Accepting the overture of the Anhwei authorities, the Chekiang provincial government has decided to align itself with the Anhwei-Kiangsi combination for the control of the tea trade.

The evangelical revival in Great Britain during the eighteenth century gave birth to

1. In 1795 the Missionary Society, an interdenominational organization which later became known as the London Missionary Society.

2. In 1799 the Religious Tract Society, whose aim and object is to proclaim to all people by means of the printed page the unsearchable riches of the Lord Jesus Christ.

3. At a meeting of the committee of the R.T.S. in 1804 the British and Foreign Bible Society was born.

The activities of the second and third are indispensable aids in the work of the missionary and in the progress of the world mission of Christianity.

In China the first tract committee was formed in Shanghai in 1844 but the first tract society was formed at Hankow in 1876. Other tract societies were founded but these all ultimately joined together to form the Religious Tract Society for China, with headquarters and printing works in Hankow, and a depot in Shanghai.

For the past five years there has been an average annual circulation of over ten million copies of the publications of the R.T.S. in Chinese. Such an output makes it rank as the largest circulator of Christian publications in the Far East if not in the world. The catalogue contains a list of over five hundred books and larger booklets and one thousand kinds of tracts and posters.

As from the first of April this year the work of the Shanghai depot which covers East China has been transferred to the Kwang Hsueh Publishing House.

Formerly the Chinese Department of the Kwang Hsueh Publishing House was located at 5 Museum Road, adjoining the English Department at 140 Peking Road. To undertake this additional service the Chinese Department has been divided so that now the books and posters on medicine, nursing and public health will remain at No. 5 Museum Road while the religious and devotional books, tracts, posters, pictures and music have been removed to the other side of the English Department at 152 Peking Road. Here will be found specimen copies of most of the Christian Literature at present available. A CLASSIFIED INDEX TO THE CHINESE LITERATURE OF THE PROTESTANT CHURCHES IN CHINA was issued in 1933 and a Supplement to this is about ready to go to press.

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"Verbal Understanding" Reached Concerning Joint Anti-Communistic Campaign in North

BY THE REVIEW'S FOOCHOW CORRESPONDENT

THOUGH responsible Chinese and Japanese circles have denied the existence of the oft-reported "Sino-Japanese-North-China-Anti-Communistic-Pact", rumor is rife that Chinese and Japanese authorities have come to a verbal understanding over the issue of anti-communism. As a consequence of strict press censorship, little concerning the late North China situation has appeared in Peiping and Tientsin newpapers. According to a Hongkong newspaper, the alleged Sino-Japanese understanding, which was reached on April 27, comprises three parts:

(1) Japanese military assistance will be offered when the necessity of such assistance arises from the realities of the situation.

(2) Material assistance—building of Tsangchow-Shihchia-chuang Railway to facilitate transportation.

(3) Eradications of "radical thought" (referring to anti-Japan and anti-Manchukuo thought).

Participators of Fukien People's Government Plot a Comeback

Since the collapse of the Fukien People's Government (which was organized in November, 1933, by the adherents of the Social Democratic Party, the "Third" Party, the Chinese Productive Party, the Chinese Nationalist Party, and which was anti-Kuomintang, anti-Nanking, anti-Chiang) in January, 1934, the insurgents, Chen Min-chu, Li Chi-sen, Tsai Tin-kai, etc., have taken refuge in Hongkong or elsewhere. For a time they have remained dormant but very recently they have been extremely active. They are attempting to stage a comeback by creating international complications. During a time when nationwide patriotic sentiments run high, such an act as fishing in troubled waters is really unpardonable. It is the present policy of Nanking to enlist leaders of various walks of life, even her opponents, in a common struggle against foreign aggression. Nanking authorities, it is said, have determined to grant a general pardon, at the expiration of the Fifth Kuomintang Congress, to all political offenders, including the participators in the Fukien insurrection; but the disclosure of their complicity in the murder of Wang Ching-wei, ex-President of the Executive Yuan, has prevented Nanking officialdom from doing so.

Secret Activities

Of direct interest in connection with the secret activities of the aforesaid insurgents is a statement appearing in the *Nan Fang Jih Pao* (April 25), a Foochow newspaper financed by the Government, to the following effect:

"The participators of Fukien insurrection have lately formed an organization entitled "Chinese Nationalist Revolutionary Alliance" and stealthily despatched a number of their agents to Fukien for action. As a consequence of spying, more than twenty persons have been arrested, namely, a bogus brigade commander, bogus military liaison officers, heads of "small sections," representatives of militia; and two of their organs, one in Nantai and the other outside the West Gate, have been found out. By searching the organs, police authorities have seized pistols, code books, statement of oaths, fundamentals of the organization, list of participators, important documents, etc. One-third of arrested persons are college graduates while two-thirds of them are graduates of secondary schools.

"The nuclei of the so-called "Chinese Nationalist Revolutionary Alliance" are Chen Min-chu, Li Chi-sen, Tsai Tin-kai. The committee on activities in Fukien consists of Ho Kung-kan (Governor of Fukien during the time of the People's Government), Lin Sih-fu (a member of the Cultural Commission of the People's Government), Kiang Hsiao-chin (a chief of Foochow outlaws). Ong Chao-yuan (noted for his defense of the Woosung Fort during the Shanghai Undeclared War in 1932) is the military commissioner.

"The schemes of reactionaries are prepared with precision. They plot to assassinate the highest provincial authority and the consul of a certain country.

"Those arrested persons who have repented of their past wrongs are released; those who have not fully repented are being converted. The important offenders, however, are imprisoned. A manifesto issued by those who have repented, denouncing the bogus organization, may be expected in a few days."

Chiang Kwang-nai Becomes a Monk

A report from Hongkong has it that Chiang Kwang-nai, formerly Chairman of Fukien Provincial Government and Financial Minister of the People's Government, now becomes a monk in a monastery of his native district, Tungkuan. This may be true, as the name of Chiang Kwang-nai does appear in the reports concerning present activities of Fukien insurgents.

Demand for Abolition of Joint Graduation Examinations

The students in the graduating classes of the Government Normal School, Foochow, distributed, on April 23, handbills demanding abolition of joint graduation examination of middle schools. One of the reasons they gave was that present-day students should devote themselves to the work of national salvation and could hardly have time to prepare for the uniform examinations. In an editorial paragraph, the editor of the *Nan Fang Jih Pao* suspected that the students of the normal school might have been exploited by agitators for ulterior purposes. The students called on the editor of the newspaper, asked for correction of the above statement, and asserted that they had no sinister motives.

Mysterious Monks in Putien

In Putien there is a large monastery that goes by the name of Chin Tien Shih. A few years ago there were many monks, but on account of bandit raids they all fled to other places. The monastery was thus out of repair. Last year, Chi Mao, a mysterious monk, came to the place and had it repaired. As Chi Mao is, in reality, not a monk but a bandit leader, he turns the monastery into bandit headquarters. He sends representatives to Changchow and Hongkong to hold secret conferences with various parties.

Spies as Monks and Beggars

A few days ago there came to the Cheng Tseng Monastery, Tehwa (a hotbed of bandits), three mysterious monks, who asked to be lodged there. The abbot doubted if they were real monks, so he asked them to chant prayers or incantations but they were at a loss. The abbot notified the garrisoned soldiers, who went immediately to the monastery and searched the three monks. In their pockets there were five hundred dollars of legal tender. Meanwhile, four mysterious beggars were arrested. They had long hair and went in rags. A search, however, disclosed that they had two hundred dollars. These monks and beggars, it seems, are spies disguised as such and sent to Tehwa by the plotters of a certain country.

Chang Hung-nan, a notorious bandit leader in Tehwa, whose followers had been besieged by the 51st Regiment, fled to Shui-kow, a locality along Tehwa-Yungtai border. On April 20 he was captured.

Green Dragon Society

In Amoy prominent naturalized subjects of a certain country have lately organized the so-called Green Dragon Society, which is similar to the "Parent" Society previously established. The members of the Green Dragon Society now total more than 1200 persons; they are all armed. Most of them are ronins and naturalized subjects of a certain country and local bandits and rascals.

The Black Dragon Society in Tokyo as we know, is an organization of jingoists. The Green Dragon Society, in all probability, is a spearhead thrust into South China. The Twenty-one Demands, the thesis of Manchuria, were composed by the Black Dragon Society; what will be written by the Green Dragon Society remains to be seen.

Kao Chen-hsueh and Wei Keng Surrenders

The two bandit-leaders, Kao Chen-hsueh and Wei Keng have surrendered. Through the good offices of Admiral Sah Tin-ping, the provincial authorities will pardon their past crimes. Kao Chen-hsueh, it is reported, will be given ten thousand dollars and sent abroad for furtherance of education. How Wei Keng will be disposed of has not yet been decided.

May 9, 1936.

Judicial Yuan Defines Status of Jewish Communal Association

The status of the Jewish Communal Association of Shanghai in the eyes of the Chinese law was defined by the Judicial Yuan in reply to a request for charification of the Shanghai City Government May 11. According to the Judicial Yuan, the Association, which has applied for registration with the local authorities, should observe the laws and orders of the Government in which it is founded. The Yuan further ruled that the Association is to be treated on the same footing as Chinese organizations.

Five Chinese Allegedly Killed by French Soldiers at Kwangchowwan

Five Chinese residents in Kwangchowwan were killed and 12 others wounded by French soldiers, when the former proceeded to the French government offices to petition against the collection of capitation tax, on April 23, according to a belated report received in Hongkong, says the *Shun Pao*.

Trans-Allantic Flight of "Hindenburg" Renews Interest in Dirigibles

The largest of the German Zeppelins, the *Hindenburg*, arrived in Lakehurst, New Jersey, May 9, having made the trip from Friederichshafen in 62 hours. The success of the German dirigibles has again stimulated interest in this form of air transportation both in the United States and England, where, because of the huge disasters suffered, preference has been given to heavier-than-air craft.

London-Tokyo Solo Flier Crashes at Nagoya

Katsutaro Ano, who last summer piloted his monoplane, the *Blue Seas*, from London to Tokyo, crashed to earth at Nagoya May 10, severely injuring himself and the two passengers.

Skipper of S.S. "Hunan" Officially Thanked for Rescue of Japanees Airmen

Capt J. B. Bruce of the China Navigation Company's s.s. *Hunan* was officially thanked by the Japanese Navy May 11 for the rescue of two fliers who were forced down at sea off the Shantung Promontory on April 20. The aircraft, which belonged to the 5,170-ton cruiser *Nagara*, was abandoned and destroyed by its occupants after the emergency landing.

Executive Yuan Bans Circulation of Chiang Birthday Chain Letters

Acting upon the request of the China Civil Aviation Association in Shanghai the Executive Yuan May 11 banned the circulation of all chain letters in celebration of the forthcoming fiftieth birthday of Gen. Chiang Kai-shek. A flood of such letters had found their way to nearly all public and private organizations in the capital. The receivers of such letters were requested to contribute the sum of $1 to the China Civil Aviation Association for the purchase of planes for presentation to Gen. Chiang.

Supervisor of Students in Japan Here to Report to Minister of Education

On summons from Dr. Wang Shih-chieh, Minister of Education, Chen Tse-fu, Supervisor of Chinese students in Japan, returned to China last week for a month's stay, during which he will report to Minister Wang on the conditions of Chinese students in the Island Empire and make contacts with local financial, industrial, business and educational organizations, on the problem of employment for Japanese returned students.

Student Demonstration in Shanghai

With the students of the Fuh Tan University leading, a group of about 300 students held a demonstration in North Szechuan Road in Shanghai on the afternoon of May 9. Shouts of "Down with Imperialism," "Down with Japanese Imperialism" and the scattering of hand bills with these and other anti-Japanese slogans were made as they marched along Range Road to the North station.

Ministry of Education to Open Training Classes for Jobless Graduates

The Ministry of Education is planning to open trraining classes for jobless college graduates this summer. In a circular order issued May 11, the Ministry instructed all public and private universities to submit a list of names of 1934-5 graduates who have so far failed to secure employment.

The Ministry of Education May 8 formally issued a set of regulations governing free schooling and the granting of scholarships in primary and high schools as well as colleges. In accordance with general principles recently reached by the Executive Yuan, these regulations provide that all government primary schools will henceforth make education free for all. But for those primary schools, especially private, which are not financially capable of complying with these rulings, and for high schools ad colleges, the quota system is to be enforced.

Plans are now being devised by the Shantung Provincial Government to raise a sum of $910,000 required for the promotion of free education for the 25th fiscal year.

Tsing Hua Professor Released by Peiping Authorities

Professor Chang Shen-fu of the Tsing Hua University was released May 7 by the Peiping authoritics. He was arrested some months ago in connection with the student movement in the North.

"Shun Pao" Says German-Manchukuo Pact Has Great Significance

Declaring that the Manchurian-German commercial agreement is of great political significance, the Shanghai *Shun Pao* in an editorial May 6 commented: "Undoubtedly, this commercial agreement is arranged by a certain country, which aims at the domination of Asia. This country hopes to establish closer relations with Germany. It is because of this reason that she is ready to give a little commercial interest in Manchuria to Germany. To exchange soya beans for heavy fighting weapons is undoubtedly a profitable bargain."

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Where Only the Rich Men Are "Robbed"

BY T. S. YOUNG

IT is a great pity that many of our people who have come to live in this very interesting world have left it a total stranger without making the best use of the short span of their life to increase their knowledge and satisfy their curiosity, simply because they have chosen to look at the word "morality" through the magnifying glasses, permitted themselves to be bound, hand and foot, by dogmatic teachings of ancient moralists, and have forgotten that the difference between what is moral and immoral is merely a matter of personal opinion. With admittedly good intention to pose as men having a high sense of morality, they have denied themselves many pleasures which would otherwise add attractions and varieties to their monotonous life, and refrained from even peeping into any places of dubious fame, as if a single glance would be pernicious enough to contaminate their sterling characters.

We have many of such moralists in our midst. In the good name of morality, they have taken upon themselves the task of laying down rules as to what a man should do and what a man should not do. If these rules are closely followed, the world would be reduced to a very small sphere where a man can move freely without the fear of contravening any code of good conduct, and our life would become nothing but a monotonous cycle of working, eating and sleeping provided with neither pleasure nor excitement, when women and wine would be totally ruled out of our lives.

What is the allurement to live in the present world, if we should lead a moralist's life and presume to be stoic to all human pleasures? Why can we not find some innocent fun to amuse our miserable life, which is full of political and business worries? Why should we wear a mask of morality for no good purpose but to make our life still more miserable than we can endure? Our privileges are few, and our freedom is very restricted. Then why should we allow moral considerations to deprive us of our few privileges and limited freedom altogether? True, we should watch our steps, but we need not be so over-cautious as to forego our pleasures altogether. It is absurd that we should refuse to eat because of choking. The span of our life is decidedly short, and we would owe a great debt to our life if we should leave this world as ignorantly as we first came into it.

Personally I do not believe that virtue always takes up its abode in temples, and that vice has its permanent seat in houses of ill-fame. I hate to dress myself in a tattered garment of morality or play the role of a hypocrite. Take sing-song houses for instance. I am not ashamed to say that I will go there as readily as I would go to any other places of amusement. I have always considered a sing-song house the most interesting place in this world, because over there we shall not only find some real pleasures and entertainment, but shall have the excitement in witnessing how the rich men are "robbed" by the poor girls. Nay, it is the only place where the visitors do not wear a mask of morality: The big officials and rich merchants, in the presence of sing-song girls, will likely forget their dignified positions and moral teachings and expose their nature in its naked body.

The Sing-Song Girls

Our moralists may point a finger of condemnation to the sing-song girls, and denounce them as professional love-makers, gold diggers or vipers. They may be professional love-makers, but quite a few of our modern girls even with good education are just as expert as the sing-song girls in playing this game of love-making, when love-making turns out to be such a lucrative profession. They may be gold diggers, but who does not "dig gold" at the present time? The business men are digging their gold, while many of our officials are also digging their gold. Then why should the sing-song girls not dig their gold, when there is plenty of gold to be dug everywhere? Again, they be vipers, but if you are on guard at all times, they cannot bite you. Besides, they do not bite you as a mad dog in the streets without giving you warnings.

Eve may be denounced as a tempter, but Adam should blame himself for not possessing enough self-control to resist the temptation. Sing-song girls may be the worst tempters; but if we have strong self-control, horse sense about money and do not entertain any ulterior motives, they cannot bite you with their venomous fangs. We are now living in a world which abounds in pitfalls and traps. Unless we can learn to control our passions we are liable to be the victims of one evil or other. Even in drinking, excessive indulgence will bring harmful effects to our physical well-being.

From our infancy, we have been taught to cultivate a strong prejudice against sing-song girls. But if they really are the enemies of men, why should the guardians of our law tolerate their existence? What is most curious is the fact that in spite of general condemnations and persecutions, they have survived the ages, and constituted an important institution of our society. This anomaly tells us that this institution, just as many other institutions, has also its raison d'etre.

In the bygone days, before the importation of jazz music, a sing-song house was the only place when men could go to frolic and flirt with girls freely without moral restrictions. I still remember the days when a young man could not walk side by side with a girl in the street, and when men and women had to sit apart from each other in a theatre. This social ban between men and women seemed to increase all the more the longing of the former to be in company with the latter, and incidentally the popularity of sing-song houses with pleasure-seeking men.

Besides, our lottery marriage system had also something to do in adding popularity to sing-song girls. Until recently, a man when mated to an incompatible wife could not find any legal means to dissolve his unsatisfactory marital tie. Unless he could be content with his sad fate, he would naturally go to those places where he could get some consolation to his miserable life. Thus for ages, sing-song girls have played the dual role of ready companions and professional entertainers. But for their presence our society would have become lifeless and desolate.

The Art of Handling Men

The secret of their success lies not so much in their personal charms and beauty as in their mastery of the art to handle men. They are good students of human psychology and keen observors of human nature. They know how to assail the weak spots of a man, how to subdue a refractory character, and how to convert a tightwad into a spendthrift. This art, however, has often been looked upon as uncanny, bewitching and unfathomable. By mastery of this art, they, instead of being the playthings of men, can skilfully play the latter into their hands.

I have always admired the adroitness of sing-song girls in capturing their marked victims. A fierce general can be instantly transformed into a tamed tiger by the gentle touch of a sing-song girl. Under her influence he will submissively follow her dictates, and gladly pass the money which he has "squeezed" with great pains to her purse. The easy occupation of Shanghai by the Nationalist forces in 1927 was largely due to the bewitchment of a sing-song girl, whose charms had so overwhelmed the Shantung Commander of Shanghai defenders that he totally forgot his comrades in the trenches and left them to be annihilated by the Nationalist forces.

Neither is the business acumen of a big merchant equal to that of a sing-song girl. While in his business office, he would look upon any appeals for help as blackmail and refuse to give his employees a raise in ten years; and while at home, he would constantly give lectures on economy to his wife and children. Yet as soon as he crosses the threshold of a sing-song house, he is apt to forget his principles of economy and frugality and shower costly presents upon his favorite girls. Even a miser who would not contribute a dime to any charitable cause can hardly keep his hoarded wealth intact in face of the onslaught of a sing-song girl.

Thus besides being ready companions and professional entertainers, the sing-song girls have also served a very useful purpose to our society as an agent to redistribute the wealth. They have used their artifices to "rob" the rich, so that they can have the wherewithal to spend lavishly either in embellishing themselves or supporting their own "lovers." The wealth painfully accumulated by the big generals, influential officials, rich merchants and callous misers has flown back to the public, and society as a whole has been benefitted by this process. If the late bandit-warlord Chang Tsung-chong had not thrown away a large part of his ill-gotten wealth on sing-song girls, he would have easily built up a fortune as big as that of Ford's or Rockefeller's. It is a sort of poetic justice that the money "squeezed" by the generals and officials should be squandered by the sing-song girls.

What tickles me the most is the fact that the sing-song girls have invariably picked their victims among the rich people, in other words, they only "rob" the rich. They take a particular fancy to the warlords, because most of the warlords do not possess any sense of the value of money. With the advent of dancing girls, they may have difficulty in retaining their former popularity; but they will continue to play the role as redistributors of wealth, so long as there are big officials and rich merchants who are ready to squander their easy money to satisfy their passions. It is therefore not immoral but highly interesting to visit a sing-song house occasionally to see how the play, "Rob the Rich," is being enacted.

Korean Independence Leader Arrested by Japanese

A Tientsin message to the *Shun Pao* stated that a certain Mr. King, a leader of the Korean Independence Movement, was arrested recently at Chinwangtao and brought to Tientsin by the Japanese police. He was arrested while organizing a special Korean Women's Club for the raising of funds to finance the independence movement.

Ambassador Quo Expresses Views on Anglo-American Policy

Robert W. Barnett, a graduate of the 1929 Class in the Shanghai American School, who is now completing the second year of study in Merton College, Oxford, as a Rhodes Scholar, interviewed Quo Tai-chi, Ambassador to England, in London recently. When Mr. Quo was asked if there is any real divergency in the American and British foreign policy in the Far East, he replied that there was "no difference in kind; only a difference in degree and in the time element when it is asserted"; he added, however, there has been considerable difference in the Far Eastern traditions of the two powers.

America's Far Eastern policy, he said, has generally been one of enlightened self interest; the traditional British policy has been quite different, not in its self interestedness, nor its enlightenment, but in its historical tradition.

It was Britain's traditional sysmpathy with Japan which made it possible for Japan to flaunt her claims at the League in 1931, claims which were so weakly dealt with that the system of collective security built up for the Pacific area in the Washington Treaties and for the world in the Covenant of the League collapsed. The old-line Britishers who think that a new Anglo-Japanese Alliance might be renewed today fail to recognize the truth that in such an alliance it would be Japan and not Great Britain who would be the senior member, Mr. Quo said.

When asked at what point in China's conflict with Japan the United States would come to the military assistance of China, Ambassador Quo replied that this question could best be answered at Washington; he, certainly, could not provide the answer. But, he went on, after a consideration of American interests in China it had to be admitted that any war at all would be fought by the United States for its own future interests, for the potential market, rather than for any investment which America now has in China. When asked what help China could expect from the foreign powers, Mr. Quo replied that China had no reason to believe that she would get any.

"Why doesn't China recognize Manchukuo as a *fait accompli* and make a deal with the Japanese to stop aggression so that China can work out her own destiny?, the interviewer asked. "This is a course" Mr. Quo said in reply, "some so-called realists who regard themselves as friends of China would urge, but their realism stops short of *actual* realism. Japan is a country where the assassins of the Prime Minister and other Ministers of State are called patriots! It is impossible for China to rely on any kind of agreement with a government so exposed to military domination and frustration."

Dr. Sao-ke Alfred Sze Delivers Address on "Peace—East and West" at Washington

Dr. Sao-ke Alfred Sze, Chinese Ambassador to the United States, made an address on "Peace—East and West," before the eighth biennial convention of the National League of American Pen Women at Washington, D. C., April 13. In the course of his remarks Dr. Sze referred to the Washington Conference treaties, and said it was now generally recognized that, in order that a firm basis for a satisfactory international situation in the West may be secured, it will be necessary to reconsider the whole complexus of existing political rights and obligations. In the Far East, equally fundamental changes, he said, had to take place. "Unless existing conditions are changed, Dr. Sze said, the danger is imminent and extreme that wars will occur which will bring about international anarchy and, in all probability, widespread national disorders. No reconstruction of international order can hope to be successful if its application is limited to the West. The situation in the East is too closely related to that in the West to allow it to be ignored, or even to be dealt with separately. It is not simply that the dictates of international justice are the same in the East as they are in the West, but that, materialistically regarded, the interests of the Powers of the Occident are so intertwined and bound up with the rights and interests of the peoples of the Orient that they cannot be separated."

Manager of Philippine Telephone Co. Urges Change in P. I. Independence Act

J. E. S. Stevenot, manager of the Philippine Telephone Co., speaking before the Foreign Trade Association in San Francisco, May 4, called attention to the tremendous trade possibilities of the Far East, pointing out that San Francisco was the American gateway to that rich potential market area.

The speaker urged residents of California to take the lead in obtaining a revision of the Tydings-McDuffie Act which granted independence to the Philippines. Revision of the measures was urged by Mr. Stevenot as a means of giving the Philippines an "economic square deal." A change in the economic provisions of the Independence Act was recommended by the speaker both as a matter of justice and as a means of serving America's own interests.

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Income Tax Should Be Enacted Immediately

BY C. Y. HSIEH

IN the current discussion on Central finance during the so-called "emergency period" one suggestion is conspicuous for bearing the stamp of general approval, and that is the adoption of income tax by the Chinese Government. The theoretical merits of this tax are so well-known as to need no exposition here. Suffice it to say that its effects on national economy would be salutary in many ways, especially in a country like China where conditions disabling to economic development must be changed through devices of which the income tax is no mean one. By drawing a line between productive and idle capital, the enforcement of income tax cannot fail to boost production. To the extent that it enables the collection of indirect taxes to decrease, it reduces the tax burden of the consuming masses and raises their buying power, thereby brightening up the consumption end of our national economy. And, though the problem of distribution is far from being too acute in China, still the adoption of income tax should go a long way toward softening the effects of what unequal apportionment of wealth may exist in this country.

It is undoubtedly on agriculture that the new tax would confer the greatest benefits. The glaring abuse that the farming population, which is the least capable to pay and most deserving of exemption, has been most heavily taxed must stop; in troth, the time has long been overdue for the abolition of multifarious and burdensome levies and imposts on China's toiling millions. That the delay in doing away with exorbitant taxation is in no small measure due to financial considerations, may be admitted. But with an income tax reasonably well administered, there should be the wherewithal to make possible an early though progressive abolition of crippling taxes.

On industry, too, the income tax should prove beneficial, and this at least in two ways. On the one hand, the imposition of such a tax will most likely lead to a reduction in commodity taxes, thereby cutting the prices of raw materials and the costs of production by domestic manufacturers. At the same time it should also be able to provide the means with which to effect a reorientation of our tariff policy from revenue purpose to protection. Favored with cheap cost and protection, the infantile native industry may have a chance of successfully meeting the onslaught of keen foreign competition.

The Traditional Dependence on Indirect Taxes

When the income tax is contemplated, however, it is principally in connection with finance. What the national coffers would receive from this source it is not easy to figure out just now. It is reasonable to assume that after an initial period during which collection would be more or less nominal, the net proceeds from income tax should be sufficient, if the experience of other countries is any criterion, to alter our traditional dependence on indirect taxes. At any rate it is destined to become the mainstay of our national revenue. In times of emergency, like war or economic crisis, the great elasticity of the new tax would vouchsafe such increasing proceeds as the occasion may require. The value of this characteristic cannot be over-estimated in view of the extreme vulnerability of China's existing system of taxation since the Customs, the salt, the tobacco and wine, and the consolidated taxes are not very dependable as sources of revenue in times of stress and strain. For one thing the recent scourge of smuggling has brought the helplessness of the Customs into bold relief.

Another and far more important financial consideration is equity. Viewed from this angle, the existing system of taxation is nothing short of outrageous. The capacity to pay, so essential a principle to any sound fiscal system, is not only ignored, but exactly reversed. That is to say, the comparatively well-off members of the Chinese society do not necessarily contribute more than their less fortunate countrymen toward the maintenance of the State; in many instances they actually give less. It is apparent that such a fiscal system should be radically overhauled. The first step of overhauling may lie in a shifting of emphasis from indirect to direct taxes of which the income tax is at once the most productive of revenue and the most equitable. Furthermore, the introduction of this tax, by requiring the comparatively well-off who are at the same time more politically articulate, to pay, could not fail to bring about a more effective public supervision over national finance. It is only natural that people who have given their money should feel interested as to how that money has been spent. That in itself is again to the good.

It need hardly be emphasized that a tax with such practical as well as theoretical merits should have been enforced long ago. Actually, however, it has gone no further than the paper stage. Why?

This same question has been asked over and over again during the last thirty years. The movement for income tax started toward the close of the Ching dynasty, but the Revolution broke out and shelved it for some time. Then in 1914 the Peking Government promulgated Income Tax Regulations in 27 articles, which were supplemented by procedural legislation in 1921. Still nothing came owing to the opposition from some quarters. In January, 1929, the National Government at Nanking revived the income tax law, but it was only last May that preparations began to be made for its enforcement. Yet, as in many a case, the matter was again simply dropped and is now no nearer realization than ever.

No doubt there are a number of real obstacles which must be cleared before the income tax can be satisfactorily enforced. Foremost among these is administrative deficiency. With census and agricultural, industrial and business statistics generally lacking, it would be extremely difficult if not impossible to ascertain the exact incomes drawn by individuals, pieces of property, or enterprises. Be that as it may, it should be possible to start with the ascertainable, especially in Government institutions and in the principal cities where land and business registrations and domicile records are filed with the local authorities. The start would be greatly facilitated by the voluntary cooperation of the people, to enlist which the tax regulations should be made as simple, and the tax rate fixed as low, as possible. If administrative rather than revenue purpose were kept well in view in the initial stage of the enforcement of the tax, much useful ground work will have been done.

Another serious obstacle lies in the fact that the interests most affected by the income tax are politically the most powerful. It would be to their interest to put off the enforcement of the tax to as distant a date as possible. Here is an acid test of the sincerity of purpose of the authorities that be. With a will to make good which is so much in evidence today, it is to be hoped that statesmanship will prevail over self-interest.

A third difficulty would arise in connection with the status of foreign business houses in China. In theory and practice they should not be exempt from the income tax. But here as in many other issues extraterritoriality may be invoked to obstruct the uniform application of the law. There is reason to believe that diplomacy and a nominal tax rate may succeed in bringing the foreign interests in line. Since the income tax is to be assessed equally on Chinese as on foreign business houses, there is no danger of discrimination, hence no reason to resist its collection unless it be a readiness to gain an undue advantage over the native interests. Even if the negotiations should come to no result, which is unlikely, it devolves on the Government to put the tax through without foreign cooperation, which is in any event immaterial, considering the very broad domestic basis of the tax.

It is evident that theoretical and practical considerations favor the early introduction of the income tax. It is equally evident that although there are obstacles before it—real and serious obstacles—they are by no means unsurmountable. Why then the delay in enforcing it?

Chinese Decorations for Dignitaries of Netherlands Indies

BY KUO WEI-HUNG

NEVER before have the relation between the governments of China and the Netherlands East Indies been so close as at present when China is officially represented at Batavia by Consul General Fatsan T. Sung. Words to this effect were uttered by Bonifacius Cornelis de Jonge, Governor General of the N.E.I., on the occasion of his receipt of the Chinese decoration of the Order of the Brilliant Jade.

The close relations between the two governments, of course, have more to do with commerce. When the Batavian government in addition to her tariff walls, is enforcing restriction of import, she is exceptionally generous to China. With the hope of developing her commercial relation with China the government of the N.E.I. offers China an extra quota for exporting to said country certain goods under regulations of restriction of import. This special favor is accorded to China only.

The relations between the two governments have been so close and friendly that China feels necessary to accord a token of friendliness and good-will to His Excellency Bonifacius Cornelis de Jonge, Governor General of the N.E.I., and to His Highness Sri Soesoehoenan, Sultan of Solo of the N.E.I.

On March 3 Consul General F. T. Sung accompanied by Mrs. Sung (Margeret Wong) went to Buitenzorg where the palace of the Governor General is situated. First he visited J. M. Kiveron, the General Secretary of the Governor General, asking him to send a decoration of the Republic of China to P. J. Gerke, the former General Secretary of the Governor General, who is now in Holland. Then after having clad themselves with formal dress Consul General Sung and Mrs. Sung proceeded to the palace, where they were met by two adjutant generals, and escorted to the reception room where the Governor General with his wife, Baroness van Wassenaer, and daughter came to greet them. After an exchange of friendly talks Consul General Sung stood up and gave a formal address which reads as follows:

"Your Excellency, in my capacity as Consul General of China, I have been instructed by order of my Government to deliver in name of His Excellency President Lin Sen of the Republic.

of China to Your Excellency the decoration that has been conferred upon Your Excellency by Presidential Mandate issued on the 10th October in the 42th year of the Republic of China. (At this point Consul Sung respectfully delivered the Decoration to the Governor General.) Presenting to Your Excellency the decoration I also have the honor to offer to Your Excellency the certificate, the contents of which I beg to translate into English as follows: 'As expression of Friendiness and Good-will, the Chairman of the National Government of the Great Republic of China hereby Confers upon His Excellency Bonifacius Cornelis de Jonge, Governor General of the Netherlands East Indies, the Decoration of the Grand White Cordon with Red Borders of the Order of the Brilliant Jade'. Having discharged my duty of presenting to Your Excellency the decoration as well as the certificate, I, on behalf of His Excellency Chang Chun, my Minister of Foreign Affairs, and for my humble self, take the profound pleasure in offering to Your Excellency my most respectful congratulations."

In his return address His Excellency de Jonge expressed his joy and gratitude to the Chinese Government and appreciation of the satisfactory work done by Consul General Sung in the promotion of close relations between the governments of China and the N.E.I.

After the formal ceremony was over Consul General Sung and Mr. Sung were invited to a dinner, at which some high officials of the N.E.I. were present. According to Consul Sung His Excellency de Jonge is the first governor general of the N.E.I. to receive such a high decoration from China.

The presentation of the same decoration to His Highness Sri Soesoehoenan of Solo of the N.E.I., took place in the evening of March 16, 1936. Several days before the date came, by the order of His Highness Sri Soesoehoenan, the music-band of the royal palace practised the Chinese national song, the text of which was translated into the native language.

On the afternoon of March 15 Consul General F. T. Sung and Mrs. Sung arrvied at Solo and proceeded to the palace of K. P. H. Hadiwidjojo where they were welcomed by K. P. H. Soerjohamidjojo and K. R. M. H. Josodipoero, representives of His Highness Sri Soesoehoenan. Consul General Sung and Mrs. Sung were provided with special rooms for lodging in the palaces.

At seven o'clock in the evening of March 16 two regents escorted by body-guards came to receive the Decoration from Consul General Sung. The procession stopped at Kemandoengan Gate to wait for Mr. Treur, Governor of Solo. Then with Mr. Treur the procession proceeded to the main palace of His Highness Sri Soesoehoenan. Here the formal ceremony of the presentation of the decoration took place. Consul General Sung made the same address as that he had delivered to His Excellency de Jonge. The certificate reads as follows: "As expression of Friendliness and Good-will, the Chairman of the National Government of the Great Republic of China hereby confers upon His Royal Highness Pakoe Boewono Senopati Ingalogo Abdoerrachman Saijidin Panto Gomo the Xth, Soesoehoenan of Soerakarta, of the Great Kingdom of the Netherlands the Decoration of the Grand White Gordon with Red Borders of the Order of the Brilliant Jade."

In his return address Hish Highness Sri Soesoehoenan wished that Allah might confer a reward to His Excellency President Lin Sen for his kindness. At the end of his speech His Highness Sri Soesoehoenan invited all those present to make a toast for the health of His Excellency President Lin Sen. And in return His Highness Sri Soesoehoenan presented his picture in oil to His Excellency President Lin Sen as a token of friendliness and good-will, and a walking stick with a golden head on which is written the monogram of His Highness to Consul General Sung himself and a golden lapel pin in the shape of a sword to Mrs. Sung as a token of remembrance.

Perhaps, it is of interest to recall here that while he paid a visit to Java Dr. C. T. Wang also received the same stick from His Highness Sri Soesoehoenan.

Batavia, Java, April 15, 1936.

Chinese-American Night Will Be Celebrated by American Chamber May 22

The Chinese-American night arranged by the American Chamber of Commerce in Shanghai to be held at the American Club has been postponed until Friday, May 22. The local Chamber is cooperating with the Chinese-American Trade Council and it is expected that a large number of Chinese from both business and official circles will attend, in addition, of course, to the managers of firms which are members of the Chamber and American members of their staffs. One of the features of the evening will be the showing of films entitled the "Lindbergh Trail" and the "March of Time" film featuring the flights of the *China Clipper*.

A Chinese tiffin and Chinese fashion show will be given by the Chamber at the Sun Department Store in Nanking Road May 18 in honor of the Official Tour Party of the Los Angeles Chamber of Commerce.

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.....	William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of EDWARD GUGERTY BERRIEN, deceased, to present the same with vouchers to the undersigned on or before November 2, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Otis D. Terrell, Special Admr.
175 Soochow Road,
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Shanghai, China.

Kwantung Army Favors Sending One Million Japanese to Manchuria Every Year

Lieut.-Gen. Atagaki, Chief of Staff of the Kwantung Army, and Colonel Sakanshi, Chief of the First Section of the General Staff of the Kwantung Army, were among those who attended the Conference of the Chiefs of Staff in Tokyo beginning of this month. The *Tokyo Asahi* of May 6 stated that the visiting officers stressed the need for strengthening the armaments of the Kwantung Army, of increasing Japan's investments in Manchuria and of increasing and encouraging Japanese emigration to Manchuria. The Central authorities agreed that the strength of the Kwantung Army should be increased over several years beginning with the fiscal year of 1937 by certain stipulated figures so that no stones may be left unturned for defense of Manchukuo in accordance with the terms of the Japan-Manchukuo Protocol. The authorities of the Kwantung Army, it was stated, consider increase and encouragement of Japanese investments in Manchuria and Japanese emigration to Manchuria very important from the standpoint of Japan's present Manchurian policy in the same way they consider promotion of military strength in Manchuria. They insist that the Government should not leave all matters in the hands of the South Manchuria Railway Company but take a positive attitude and realize the economic development of Manchukuo. The Kwantung Army authorities are desirous of realizing a scheme to send some 1,000,000 Japanese to Manchuria each year so that Manchuria may absorb Japanese immigrants nearly equivalent in number to the annual increase of population in Japan.

At the second session of the Three-Ministers' Conference aiming at unification of national defense and diplomacy held at the Premier's official residence in Tokyo May 1 the conferees agreed that Japan's policy toward the Soviet-Japanese issue, seen from every angle, formed the key to Japan's China policy and is one on which the greatest emphasis should be put in the way of executing Japan's foreign policy.

The three Ministers were regretful of the attitude taken by Soviet Russia on the Soviet-Manchukuo and Manchukuo-Mongolian border. As to the huge armament preparations concentrated on the border by the Soviets, the Ministers appeared to think, Japan cannot sit idle from the standpoint of stabilization of East Asia, and the three Ministers seem to have agreed to give special consideration to the matter of promoting Japan's military strength in Manchuria, while seeking a solution of all pending Soviet-Japanese issues through diplomatic negotiations.

Ambassador Saito Says War With Russia Not Likely at Present

War between the Soviet Union and Japan in Siberia is not likely at present because both nations lack offensive forces in that area, H. Saito, Japanese Ambassador to the United States, declared in an address in Baltimore, Md., May 11.

The Manchu-Japanese force now stationed along the Siberian border is not on a war footing, the Ambassador asserted, and, "in spite of several minor frontier incidents, our government has not taken measures such as it would take if it contemplated or expected war."

Mr. Saito said he was convinced that neither the statesmen nor the people of the U.S.S.R. are considering warring on Japan. On the contrary, Moscow's military preparations are designed to afford security instead of enabling an attack, he asserted.

Hirota Confident Japan Will Not Go to War

Confidence that Japan would be "able to manage through the present international situation without going to war" was expressed by Premier Hirota May 8. He made this statement in reply to an interpellation by Kojiro Tsutsumi, Minseito, in the Lower House to discuss the 1936-37 budgetary estimates.

Premier Hirota and Foreign Minister Arita were subjected to a barrage of questions on Japan's Russian policy at the meeting of the Lower Chamber's budgetary committee in Tokyo May 8.

Hirota Would Negotiate Rather Than Exterminate "Red Menace" by Force of Arms

During the debates in the Lower House May 7 a questioner asked Premier Hirota if he had not promised too much when he said there would be no war with a foreign Power during his tenure of office.

Mr. Hirota replied that he preferred to negotiate with Soviet Russia on the pending problems, rather than "exterminate the red menace by force of arms."

War Minister Sees Little Value in Non-Aggression Pact

Admission by Gen. Count Hisaichi Terauchi, War Minister, that he placed little value on the Soviet proposal for the conclusion of a non-aggression pact with Japan, formed one of the highlights of a two-hour secret session of the Lower Chamber's budgetary committee in Tokyo May 11. Another important statement, *Domei* states, was made by Admiral Osami Nagano, Navy Minister, in reply to a question as to whether the Government was making financial preparations for the erection of new fortifications in the Pacific, following the expiration of the Washington Treaty next year.

Said Admiral Nagano:—"Although we have not yet made definite plans, we expect the future need for such fortifications."

A resolution urging the Government to carry out a "renovation" of national policies, in conformance with the Imperial wishes expressed in the rescript of May 4, was jointly introduced in the Lower House May 2 by the Miniseito and Seiyukai parties.

Всему бывают... границы.

The above cartoon is printed from the Russian daily newspaper "The Trail." The Japanese soldier is shown bending away from him a post carrying the legend, "Frontier, Russian Territory". Under the figure showing the rebound of the post appear the words, "To everything there is a. . . .limit." The point is somewhat lost in translation as the Russian word "granitza" is used both in the sense of "border" and "limit."

Premier Hirota was asked to explain the differences of his views on the issue voiced while he was Foreign Minister in the late Admiral Makoto Saito's and Admiral Keisuke Okada's Cabinets. The Premier replied that the increase in the Soviet forces in the Far East has "markedly changed" the situation, thus necessitating changes in his views. The uncertainty of Soviet-Japanese relations, Mr. Arita said in reply to another interpellation, must be ascribed to Soviet Russia's "inadequate understanding" of Japan.

Questioned on North China, Mr. Arita replied that the area being "closely linked with Japan and Manchukuo," Japan must pay serious attention to developments there.

"It will be good when the Japanese realise that they cannot speak in a threatening tone concerning the Soviets," Karl Radek, Russian political writer, wrote in an article May 8 in the *Izvestia*, official organ of the Central Executive Committee of the U.S.S.R. and the All-Russian Executive Committee, commenting on the

speech made in the Diet last week by Hachiro Arita, the Japanese Foreign Minister.

Japanese Intend to Seek Soviet Troop Withdrawal

Diplomatic steps seeking the evacuation or the reduction of the Soviet forces massed along the borders of Manchukuo will soon be taken by Mr. Arita, Foreign Minister, diplomatic observers stated in Tokyo May 7. They unanimously pointed to the mention of these troop concentrations both by Premier Koki Hirota and by Mr. Arita in their respective addresses to the Diet as reflecting the Government's intention.

Manchukuo to Begin Preliminary Survey of Border

Preliminary surveys of the eastern border of Manchukuo, south of Lake Khanka, will begin as soon as Masaichi Kanki, chief of the political affairs section of the Foreign Affairs Department, returns to Hsinking from Japan where he has been conferring with Japanese officials on the plans for the establishment of a tripartite frontier delimitation commission.

Repatriation of Chinese "Bandits" Is Demanded by Manchukuo

A verbal protest demanding the repatriation of a number of alleged Chinese "bandits" who escaped into Soviet territory on April 30 was lodged May 8 with M. Slavutsky, the Soviet Consul-General in Harbin by Shih Liu-pen, the Manchukuo special Commissioner for Foreign Affairs in Harbin.

Jewish Autonomous Province Makes Great Progress

The Moscow press on the occasion of the second anniversary of the formation of the Jewish Autonomous Province Birobidjan, May 8, called attention to the great successes which had been attained in the development of industry, agriculture and culture in the new province. The cultivated area has been increased from 17,000 hectares in 1928 to 38,000 in 1935. The budget for the national education increased from 2,400 thousand roubles in 1934 to five million in 1936.

Filipino Mission Head is Lavishly Entertained Here and in Nanking

Manuel Alzate, Chairman of the Foreign Relations Committee of the National Assembly of the Philippine Commenwealth and head of the Filipino inquiry commission, which arrived in Shanghai last week following a one-month tour in Japan, was entertained at a dinner party May 6 by General Wu Te-chen, Mayor of Greater Shanghai.

Mr. Alzate also made a trip to Nanking where he conferred with General Chang Chun, Minister of Foreign Affairs, and Wu Tingchang, Minister of Industries, concerning Sino-Philippine trade relations. Later he made a sight-seeing trip to Hangchow and on his return here called on Lin Yu-tang, noted Chinese author. He was also the guest of honor at a dinner by Wang Hsiao-lai, general manager of the New Fish Market of Greater Shanghai, at the Park Hotel on the evening of May 12. He, departed from here on his way back to the Philippine Islands May 13.

Gen. Chang Chun Gives Tea Party for Overseas Investigation Party

The overseas Chinese investigation party from Siam, which arrived here on April 30, was entertained at a tea party given by General Chang Chun, Minister of Foreign Affairs, on the same date. They later proceeded to Nanking, where they were received by Wu Ting-chang, Minister of Industry, were entertained at dinner by Wang Chih-yuan, member of the Central Overseas Affairs Commission, and were guests at a luncheon given by Wu Ting-Chang, Minister of Industry, May 8.

Japanese Economic Mission Tours Northwest China

Investigating the economic conditions of China along the Yangtze ports, and in Northwest China, members of the investigation department of the Cultural Section of the Japanese Foreign Office and the South Manchuria Railway Company, arrived in Hankow May 7. They later made a tour of Northwest China, visiting Sian, Loyang and Kaifeng.

Los Angeles Trade Mission Is Entertained at Peiping

The American Trade Mission sent to China by the Chamber of Commerce in Los Angeles, arrived in Peiping last week, where it was entertained May 9 by General Chin Teh-chun, Mayor of Peiping, at a luncheon party at the Summer Palace. Nelson T. Johnson, American Ambassador to China, was among those present. The party, which is under the leadership of Mr. MacDonough, international trade expert of the Los Angeles Chamber of Commerce, arrived in Shanghai May 15.

In the United States Court for China

In re.
ESTATE
of
ALBERT EBER LEVIN,
Deceased.

Cause No. 4039
Special Proceedings
No. 1059
NOTICE
Filed at Shanghai, China,
April 27, 1936
William T. Collins, Clerk

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of ALBERT EBER LEVIN, deceased, to present the same with vouchers to the undersigned on or before November 2, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

W. A. Reed, Administrator.
c/o U. S. Court for China,
Foochow & Kiangse Road,
Shanghai.

Shanghai, China.

In the United States Court for China

In re. LAST WILL AND
TESTAMENT
of
LEONARD EVERETT.
Deceased

Cause No. 4057
Special Proceedings
No. 1935
NOTICE
Filed at Shanghai, China,
April 30, 1936.
WILLIAM T. COLLINS
Clerk

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of LEONARD EVERETT, deceased, to present the same with vouchers to the undersigned on or before November 9, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

REBECCA NOURSE EVERETT,
534 Avenue Petain,
Shanghai, China.

Shanghai, China.
April 30, 1936.

Japanese Army, Like Soviets, Enforces Collective Farming

BY THE REVIEW'S HARBIN CORRESPONDENT

SINCE the occupation of Manchuria, the Japanese Army has used the country as a field for various social experiments. Such may be seen not only from the ever-tightening ring of various State-owned or privately controlled monopolies, which now practically dominate every activity of a Manchukuoan, but also in other measures of no less striking character.

Although difficult to believe, Japanese generals are at present experimenting in Manchuria with *the collectivization of agriculture*, taking a leaf from Soviet Russia's book. It sounds incredible, but it is so, for there are already ten villages in Manchuria,—a village in each province,—where everything is being run exactly along the a Soviet pattern, including even the supervision of the O.G.P.U., whose place is occupied here by the Japanese police. To dispel any doubt, I may state that there is even a special legislation, or—rather—an ukase, regulating the organization and activities of these collectivized villages in Manchuria. It was promulgated on January 31 last and briefly provides :—

(1) That the Ministry of Trade and Industry of Manchukuo shall designate ten villages, that is, a village in each province, for the purpose of introducing the collectivized form of farming and handicraft.

(2) That the Ministry shall provide each such village with necessary funds and that all its activities shall be directed by an agricultural expert, appointed to that specific task by the provincial adminstration.

(3) That these funds, advanced by the Treasury, shall be expended only for the purchase of communal agricultural implements, live stock and seeds and for the establishment of communal workshops of handicarft.

(4) That the villagers wishing to avail themselves of this opportunity should submit applications to that effect not later than February 1 last, giving full information about the village and the proposed activities when collectivized.

(5) That, until further notice, the Ministry shall introduce such system only in one village in the province.

When reading this ukase, one almost rubs the eyes, for it is almost unbelievable that Japanese generals, so bellicose and bombastic in their attitude toward the U.S.S.R. and things Soviet generally, would ever try to copy the latest and by far the most important measure of the Communist Government, the collectivization of agriculture. Yet, it is here, and the measure is being tried in good earnest and studiously, as the Japanese do things generally.

No information is available as to the exact location of such "collectivized" villages in Manchuria, but it occurs to the writer that, if the experiment turns out good, the Japanese military leaders might try to introdue the said system into Japan proper, perhaps with some modifications to suit Japanese requirements. This is another proof of an old saying that Manchuria not only serves as a sort of milk cow for the Japanese, but also as a convenient field for various social experiments, of which the formation of ten collectivized villages appears to be the latest example.

Metric Weights Introduced Without Warning

Social "experimenting" in Manchuria goes on unabated. Take, for instance, the introduction of new weights and measures effective since February 1 last, but which—it must be admitted—is not working so well as was expected. A surprising side of it is the fact that, unlike in the mother-country, Japan, where Japanese weights and measures are still in operation, Manchukuo is adopting the French system of weights and measures. The method of introducing this innovation deserves a few words of comment as it is characteristic of Japanese business methods in Manchukuo.

It was enforced all of a sudden on February 1, without any proper announcement beforehand nor due measures having been taken to ensure the smooth running of the innovation. As a result, it has resulted in confusion worse confounded. Moreover, the authorities had not prepared a sufficient stock of new weights and measures to replace the old ones in use,—Russian and Chinese,—hence the plan hung in mid-air, being practically unenforcable under existing circumstances. To introduce them, they entrusted their manufacture to a monopoly, gaving it exclusive rights—(1) of repairing and modernizing all balances in use in Harbin and (2) of supplying all merchants in Harbin with new weights and measures.

No explanation of any kind has ever been made as to why such a delicate task as the introduction of new measures and weights, has been entrusted to a private enterprise, a mere shop tucked up somewhere in the backyard of Harbin and whose exact location even now is a puzzle for a good many of Harbin shopkeepers. The monopolist has proved to be utterly inadequate to the task entrusted to him; he simply cannot handle thousands of balances turned over to him for overhauling and adapting to the metric system. All this has resulted in delay and confusion. Many balances, overhauled by the shop and returned to the owners as good, have turned out incorrect, necessitating a new overhauling.

Merchants appear to be indignant with this new instance of the offhand way of administration, and at their many meetings have voiced their disapproval of appointing a monopolist, who, besides proving highly inefficient, charges exorbitant fees for his services. The merchants have even secured the assistance of the *Hsie-Ho-Hoi*, supposed to be a political party headed by Cheng Hsiao-hsu, the former "premier" of Manchukuo and now chairman of the bogus Privy Council, which at a meeting held in Harbin on April 17 sided with the merchants and promised to do all possible for rightening up things. Nearly a month has passed since, and there is no change whatever in the situation.

Russian Dancing Girls Are Supervised

Now it is the turn of Russian dancing-girls to feel the pinch of Japanese supervision. Up till now, these girls, as well as all those working in or connected with restaurants, dance-halls, cinemas, hotels, beauty shops, barbers, etc., were free from a medical examination, so no complaint of any sort was heard from persons of these professions. Now, however, they are subject to a compulsory medical examination, for which purpose the police has instituted special examination bureaus in all principal parts of Harbin. The purpose of these examinations is to eliminate all those who are ill of conjunctivitis, skin and pulmonary diseases and also those mentally unbalanced.

The enforcement of this measure created a panic amongst Russian girls, dancing partners and waitresses, for they thought that the law virtually placed them on an equal status with *geisha*-girls. However, it was dispelled somehow by a later announcement to the effect that no examination would be made for detecting venereal diseases. This measure completes the hanging of a tag on every person living in Manchukuo. You cannot be expected to be unknown to the police. Such is the "Kingly Way" of ruling.

Harbin, May 5, 1936.

American Doctor on Trial for Alleged Poisoning Attempt

The trial was commenced at a sitting of the U. S. Court for China in Tientsin May 12, before Judge Milton J. Helmick, of Dr. John William Colbert, a physician of said city, on charges of attempting to murder his wife by poisoning her. The indictment contains six counts of having administered posion with food, drink and medicine.

District Attorney Felthan Watson and A. R. Morrison, an American attorney of Tientsin, who has been appointed assistant to Mr. Watson by Judge Helmick, are prosecuting.

Mr. Watson, opening the case against Dr. Colbert, declared that evidence, which was largely circumstantial, would be introduced showing that Mrs. Colbert—a young woman who prided herself on vigorous health—was observed by Dr. Colbert to appear unwell on September 23 of last year, the day after she had won a championship tennis match. Dr. Colbert tested her blood, and announced that the result showed a 40 per cent anaemic condition. He immediately began "a series of unusual and unprecedented purchases of drugs known as coal tar derivatives, namely acetanelid, antifebrin and antipyrine." Despite the diagnosis, continued Mr. Watson, Mrs. Colbert protested that she was feeling well and continued playing tennis for several days. She noticed that, although she could play without noticing any ill effects, she was unusually tired by night time. About October 5, upon his wife's complaining that she was not well, Dr. Colbert re-examined her, diagnosed an enlarged heart as a result of her playing tennis, and confined her to bed. Although it was an unusual practice in the medical world, Mr. Watson said, Dr. Colbert continued to treat his own wife without calling in any assistance until October 31. During that period Dr. Colbert's exceptional purchases of drugs, continued, and his wife's health continued to decline. Symptoms of poisoning were exhibited, although Dr. Colbert maintained that she was suffering from pernicious anaemia. On October 31, Dr. J. W. H. Grice, a British doctor, was called in by Dr. Colbert, who informed him that the patient was suffering from an enlarged heart, not mentioning anaemia. Dr. Grice, who found the heart normal, discovered symptoms of poisoning and, suggested that further data should be gathered.

Mrs. Colbert then remained at home under the sole treatment of the accused until November 11 During that time symptoms of coal tar poisoning were intensified, and Dr. Colbert "began to prepare the ground by passing the word around that there was little hope of her recovery." "On November 20," Mr. Watson continued, "Dr. Colbert wrote to Dr. Grice. Dr. Grice was shocked at the condition in which he found Mrs. Colbert, whose heart was still normal, but who again showed symptoms of having been poisoned. Dr. Colbert was then administering a liver extract in capsules, and Dr. Grice induced Mrs. Colbert to go to the hospital under his complete charge. After that Mrs. Colbert began to recover, and her condition continued to improve until a setback occurred when Dr. Grice gave her an intravenous injection of medicine supplied by Dr. Colbert, to which the patient reacted as she would have done to poison. The full amount of this medicine was not used for injections, and the remainder was analyzed by a

chemist and found to act as a blood poison. Two weeks later, continued Mr. Watson, Mrs. Colbert left the hospital, and Dr. Grice informed the accused that the patient was suffering from poisoning and had neither a dilated heart nor pernicious anaemia.

A week later, when Dr. Grice called, he found Mrs. Colbert again ill. Upon ascertaining that Dr. Colbert had administered a liver extract, he secured a capsule, which was found on chemical analysis not to contain liver extract, but pure acetanelid.

Evidence generally in line with the District Attorney's opening statement was given by Dr. J. W. H. Grice, a matron and a nurse from the Victoria Hospital, and Dr. Cherdynzeff, a Russian, who took a blood test of Mrs. Colbert. He testified that the test showed no signs of pernicious anemia.

Wholesale Deaths from Poisoned Cakes Occur in Japanese City

Death stalked the campus of the First Hamamatsu (Japan) School, May 13, as 38 persons died from an undetermined poison which has affected more than 1,200 students and members of the Faculty of the institution. All the afflicted partook of rice cakes which were distributed by the school at its annual sports meeting last Sunday. Experts from the Home Ministry in Tokyo and from the Military Hospital are engaged in seeking to establish the cause of this wholesale poisoning. It is stated that the rice cakes, which were obtained from a reputable local confectionery, were given away, six to each person, in keeping with a long-standing practice of the school.

China Imports $40,000,000 Worth of Foreign Fish Yearly

China imports $40,000,000 worth of fish every year, according to Wang Hsiao-lai, manager of the Central Fish Market. The production of fish in China is valued at $50,000,000 a year, while the capacity of fish production in the country is estimated to be $400,000,000 a year. With the organization of the Central Fish Market, it is expected that the Chinese fishing industry will be greatly improved with the cooperation of the merchants and the Government.

Chinese Foreign Office Issues Pamphlet Describing Passport Procedure

In order to prevent unnecessary annoyances to foreign tourists to the interior parts of this country, the Ministry of Foreign Affairs has published a pamphlet containing facts relating to the issuance of passports to alien travellers to the interior. A large number of copies of this pamphlet have been forwarded to the central as well as local government organizations for reference.

This step is taken in view of the diversified steps taken by provincial, municipal and other passport issuing offices in granting passports and visas to foreigners, thus causing unnecessary delay and difficulties to the applicants.

Young Brothers Return from Western China with Many Wild Animal Specimens

Jack and Quentin Young, youthful Chinese-American explorers, returned to Shanghai last week after more than half a year spent in exploring and hunting in Western China, with Tachienlu as headquarters. They spent three months in the Minyakonka range of mountains trapping and collecting wild animals suitable for mounting as museum specimens. Thence they proceeded to the Muli country and later made a tour of the Lolo region. The Young brothers brought back a remarkable collection. The two had been away from Shanghai since last August in the interests of the California Academy of Natural Sciences at San Francisco and on an expedition backed by F. E. Booth of that city. For the present the Young brothers will remain in Shanghai.

27 Silk Filatures in Shanghai Resume Operations

With the organization of the banking syndicate in Shanghai for the purchase of cocoons, 27 silk filatures were scheduled to resume operations this week. Large numbers of workers, who had returned to their native villages following the suspension of operations of these filatures returned to Shanghai to resume work.

Chinese American Trade Week—May 17 to 23

The American Chamber of Commerce of Shanghai announces that Chinese-American Trade Week will be observed May 17 to 23. Included in the program is an excursion to the Civic Center, where the members of the Chamber and Chinese Trade Organizations will be received by Mayor Wu Te-chen. A buffet tiffin will be given at the American Club May 22. Among the speakers will be Mayor Wu Te-chen and C. E. Gauss, U. S. Consul General.

In the United States Court for China

In re. LAST WILL AND TESTAMENT of WILLIAM ROBERT HAYES, Deceased.

Cause No. 4059
Special Proceedings No. 1937
NOTICE
Filed at Shanghai, China, May 4, 1936.
William T. Collins, Clerk

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of WILLIAM ROBERT HAYES, deceased, to present the same with vouchers to the undersigned on or before November 9, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Manley C. Jensen, Executor
Public Works Department,
Shanghai Municipal Council,
Shanghai.

Shanghai, China.
May 4, 1936.

In the United States Court for China

In re. ESTATE of FRANK LEWIS HOUGH, Deceased.

Cause No. 4066
Special Proceedings No. 1944
NOTICE
Filed at Shanghai, China, May 9, 1936
William T. Collins, Clerk.
L. T. Kenake, Asst. Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of FRANK LEWIS HOUGH, deceased, to present the same with vouchers to the undersigned on or before November 16, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

EDWIN O. HEUSER
Administrator
c/o National City Bank,
Shanghai, China.

Shanghai, China.
May 9th, 1936.

In the United States Court for China

NICHOLAS R. SIMS
Plaintiff,
vs.
ANITA SIMS
Defendant

Cause No. 4060
Civil No. 1938
ORDER
Filed at Shanghai, China,
May 2, 1936
William T. Collins, Clerk.
L. T. Kenake, Asst. Clerk.

The object of this suit is an action for Divorce

WHEREAS, plaintiff herein, by his attorneys, has this 1st day of May, 1936, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 1st day of May, 1936, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 1st day of May, 1936, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since 1932, and that defendant's last known address was 1126-14th Street, San Diego, Cal.

NOW, THEREFORE, it is this 2nd day of May, 1936, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the CHINA WEEKLY REVIEW, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 23rd day of May, 1936, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,
this 2nd day of May, 1936.

MILTON J. HELMICK,
Judge.

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British Firm to Build Huge Steel Plant in Kwangtung

Work on the erection of the new £2,000,000 iron and steel factory of the Kwangtung Provincial Government, the contract for which was signed with the British engineering firm of Messrs. H. A. Brassert and Co. early this month is about to commence. The factory will be at Tung Long, on the right bank of the Pearl River, about four miles from the centre of Canton, where ocean-going steamers can dock alongside, thus facilitating the use of foreign materials in construction and the shipment of the factory's products abroad. It is expected that a large part of the factory's output will be used in the construction of highways and railways throughout the province, and it will thus play an important part in the development of Kwangtung's natural resources. For its raw materials, the factory will draw on Kwangtung and neighboring provinces, which are rich in high-grade iron ore and readily accessible by cheap water transport.

General Chiang Orders Two More Highways to Connect Szechuen With Neighboring Provinces

By order of General Chiang Kai-shek, President of the Executive Yuan and the Military Affairs Commission, two more trunk highways will be built to connect Szechuen with neighboring provinces so as to speed up communication and transportation in western China. The first is the Szechuen-Hsikang Inter-Provincial Highway, which will link up Ya-an, in western Szechuen, with Kangting, provincial capital of Hsikang, covering a distance of 200 kilometres. Work will be started on May 16 by means of soldier labor and completed within three months. A sum of $187,000 has been allocated from the $5 million Szechuen Provincial Rehabilitation Loan for the construction expenses. The other is the Szechuen-Yunnan Inter-Provincial Highway. Starting from Luchow, in southern Szechuen, the route will pass through the districts of Suyung (Szechuen), Chishui, Pichi and Hsienning and terminate at Tingwei (Yunnan), a distance of 805 kilometres. The cost in fixed at $830,000, which will also be remitted from the $5 million Szechuen Provincial Rehabilitation Loan.

New Pukow-Tsingkiangpu Highway Is Formally Opened

The newly completed highway between Pukow, on the Tientsin-Pukow Railway opposite Nanking, and Tsingkiangpu, conservancy center in northern Kiangsu, was opened to traffic May 10. The highway is over 100 miles long and was built by means of soldier-labor. It cuts through the districts of Luho, northwestern Kiangsu, and Changtien, eastern Anhwei, and terminates at Tsingkiangpu along the main embankments of the Hungtse Lake. There are three rivers along the route across which motor ferry services are operated.

Lincheng Coal Mine to Reopen

The Hopei Reconstruction Department is planning to reopen the Lincheng Coal Mines in southern Hopei. The work in the mine was suspended sometime ago because of the flooding of its pits.

Nanking Prepared to Promote Cooperative Enterprises

The Cooperative Department of the Ministry of Industries is making plans for systematizing the administration of cooperative enterprises in this country, according to Chang Yuan-shen, department chief of the department.

Kiangsu Deficit Totals $3,000,000

According to the Department of Finance of the Kiangsu Provincial Government, the provincial budget for the fiscal year 1936-1937 will have a deficit of more than $3,000,000.

Shanghai-Nanking Railway Receipts for April Show Decrease

The total receipts of the Shanghai-Nanking Railway for April amounted to $1,245,148.52, showing a decrease of 8.22 per cent, as compared with that of the corresponding month of last year. Of the total amount, $939,056.72 was derived from passenger service, $277,823.62 from freight service, and $87,268.18 from miscellaneous sources.

No Funds to Be Appropriated for Kansu-Sinkiang Railway

Kuo Min says reports circulating in Tientsin to the effect that the Executive Yuan has decided to appropriate funds for the construction of a Kansu-Sinkiang Railway are untrue. It is pointed out in official circles that such a railway would cost at least $200 millions, a sum which the Government cannot afford at the present moment. Even if this project were contemplated, it could not be seriously considered until the section of the Lung-Hai Railway betweed Sian and Lanchow, provincial capitals of Shensi and Kansu, is completed.

Szechuen Commissioner Discusses Chengtu Railway Agreement with T. V. Soong

Lu Tso-fu, Commissioner of Reconstruction of the Szechuen Provincial Government called on T. L. Soong, Manager of the China Development Finance Corporation May 7, and discussed the loan agreement for the building of the Chungking-Chengtu Railway.

Who's Who in China

郭乃全
Dr. Thomas N. Call
(Kuo Na-chuan)

Dr. Thomas N. Call D.D.S.; born at Canton, Kwangtung, Oct. 1901; was graduated from Chiaotung University, Shanghai, and from Washington University, U.S.A. in 1933 with the degree of D.D.S.; did advanced work in Oral Surgery Department, Barns Hospital, St. Louis, Mo., U.S.A.; now professor in College of Dentistry of National Central University, Nanking and private practice at 133 Yuen Ming Yuen Road, Shanghai; address: College of Dentistry, National Central University, Nanking.

郭乃全，廣東中山縣人，生於西歷一九〇一年十月，畢業於上海交通大學，一九三三年畢業於美國華盛頓大學，得牙科醫學博士學位，曾任美國聖路易市斑氏醫院口腔病院醫生，並在上海執行醫務年餘，現任南京國立中央大學牙醫學院專任教授。通信處：南京國立中央大學牙醫專校。

Shanghai Foreign Settlement Factory Inspection Agreement Approved by Nanking

The Ministry of Industries has officially approved the proposed agreement between the Shanghai Municipal Council and the Municipality of Greater Shanghai for the settlement of the question of factory inspection in the International Settlement, it was learned from official circles in Nanking May 12. The agreement, which will be formally signed shortly, will go into force on July 1, thus settling one of the thorniest issues that are confronting Shanghai.

According to the text of the agreement, a board of inspectors will be established with an equal number of Chinese and foreign members. Chinese labor law will be applicable except in cases where some sections of the law are not enforced in other parts of this country, on account of special circumstances. The agreement will apply to all factories in the International Settlement irrespective of nationalities. After the enforcement of the agreement in July, it is understood, negotiations will also be started with the authorities of the French Concession in Shanghai for concluding a similar agreement. The proposed agreement will last for three years. Either of the signatories to the agreement has the right to serve one year's notice before the expiration of the period for either continuation or revision or total abrogation of the contract.

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In the United States Court for China

OLGA ALEXAVUNA ANALORA, Plaintiff,
vs.
SAM ANALORA, Defendant.

Cause No. 4065
Civil No. 1943
ORDER
Filed at Shanghai, China, May 9, 1936.
William T. Collins, Clerk.
By L. T. Kenake, Asst. Clerk.

The object of this suit is to secure a decree of divorce.

WHEREAS plaintiff herein, on the 9th day of May, 1936, made application for the substitution of publication for personal service of summons upon the defendant herein; and

WHEREAS it appears from the files of this case that on the 8th day of May, 1936, the Summons for defendant was returned by the United States Marshal for China, "Not to be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 8th day of May, 1936, OLGA ALEXAVUNA ANALORA, the Plaintiff herein, filed an affidavit to the effect that the defendant, SAM ANALORA, does not reside within the jurisdiction of this Court and that he has not been a resident of this jurisdiction within the past six months.

NOW, THEREFORE, it is, this 9th day of May, 1936, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the CHINA WEEKLY REVIEW, a paper of general circulation most likely to reach defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieh day, exclusive of Sundays and legal holidays, occurring after the 30th day of May, 1936, the last day of publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

MILTON J. HELMICK,
Judge.

CUSTOMS NOTIFICATION No. 1511.

The public is hereby notified that in accordance with Government instructions motor vehicles will be exempt from interport duty on movement coastwise from the 1st May, 1936.

H. O. TONG,
Superintendent of Customs.
PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 5th May, 1936.

Men and Events

Ralph Mortensen, manager of the Lutheran Book Concern at Hankow, was a visitor to Shanghai on business this week.

Prof. Clair Turner, a noted American expert on sanitation, arrived in Tokyo April 20 for a series of lectures lasting one month.

The commencement exercises of the Shanghai American School (class of 1936) will be held on the quadrangle of the school Friday, June 12, at 5 p.m.

Percy Hammond, dramatic critic of the New York *Herald-Tribune*, died in New York, April 26, at the age of 63. He visited Shanghai several years ago.

The Ministry of Finance is stated to be considering further reduction of export duty on Chinese eggs, in order to increase their exportation to foreign countries.

The Nanking Ministry of the Interior is making arrangements to establish a Finger Print Investigation Committee in Nanking to facilitate police and judicial work.

After several years service as superintendent of the Mukden Sanitarium, Dr. Roger Paul has arrived in Shanghai to take up his duties as physician to the Shanghai Sanitarium.

The National Government has approved the granting of a $24,400 pension to the family of the late V. K. Ting, noted Chinese geologist who died of gas poisoning a few months ago.

W. Lewisohn, correspondent in Peiping for the *News-Chronicle* and *Exchange Telegraph Co.*, London, and the *North-China Daily News*, who was in Shanghai for several days last week, has returned to Peiping.

Major General Lucius R. Holbrook, Commanding General of the U.S. Army Philippine Department, arrived in North China this week to conduct an inspection of American troops stationed in this country.

A term of 12 years imprisonment was imposed upon Zau Van-tsung, 33-year-old hawker, by Judge Feng in the First Special District Court, last week, following conviction of successively selling opium substitutes.

Frank Dagne, 26-year-old Filipino convict at the State Penitentiary in San Quentin, California, ran amok in the prison recreation yard May 6 and after stabbing fifteen prisoners, three of whom were seriously injured, committed suicide by stabbing himself.

Henry H. Lin, Sub-Manager of the Trust Department of the Central Trust of China and secretary of the Jukong Wharf Construction Committee, returned to Shanghai May 7 after making a special study of wharf facilities and management in Europe and America.

J. K. Choy, General Manager of the China Merchants Steam Navigation Company and former Commissioner of Land of Greater Shanghai, has been invited by Mayor Wu Te-chen to serve as Chairman of the Land Commission recently formed by the City Government of Greater Shanghai.

A reception was scheduled to be held by the Shanghai Foreign Y.M.C.A. May 15 in honor of Mrs. C. W. Petitt, on the occasion of Mr. Petitt taking over as general secretary in succession to G. A. Fitch. Mrs. Fitch gave a tea party at her home in Hungjao Road May 8 in honor of Mrs. Petitt.

The Executive Yuan May 11 approved a joint request of the Ministry of Foreign Affairs and the National Health Administration for an appropriation of £116 as return passage for Miss Chang Hsiao-mei, a Chinese resident in London, who is said to be mentally unsound and needs to be sent home.

Miss Elsie Chiang and M. F. Chin were married by the Rev E. M. Luccock at the Shanghai Community Church May 10. The bride is the niece of Mrs. P. C. Yang and Tsiang Lu-foo, and a cousin of Mrs. Tsuyee Pei and Mrs. T. C. Tong.

Colonel A. P. D. Telfer-Smollett, Commander of the 157th (Highland Light Infantry) Brigade of the Territorial Army, was appointed May 12 Commander of the Shanghai Area in succession to Brigadier F. S. Thackeray. His appointment dates from July. Educated at Sandhurst, he joined the Army in 1904.

An exhibition of water color sketches by Mrs. G. A. Lynch, wife of the Commanding Officer of U. S. Army Troops in China, took place at the French Municipal Hall in Tientsin during this week. The display covered sketches made on a trip from Washington to New York through Hawaii and the Philippines to China.

A Tientsin message to the *Shun Pao* May 6 stated that the Japanese and French authorities in Tientsin are having a serious dispute over the ownership of a creek bordering the two Concessions there. Declaring that the creek is within the jurisdiction of the Japanese Concession, the Japanese authorities officially occupied the creek and the surrounding low land on May 6.

On the recommendation of the Ministry of Foreign Affairs, the National Government has instructed the Ministry of Finance, through the Executive Yuan, to increase the appropriations for the work of demarcation of the southern section of the Yunnan-Burma boundary and the expenses of the Chinese members of the Sino-British boundary commission from $200,000 to $280,000.

The firm of Marsman Investments, incorporated in Manila, has secured rights for the mining of wolfram ore in the New Territories in Hongkong. The Colony Government has signed a 21-year lease, covering approximately 540 acres in Needle Hill, with J. H. Marsman.

Dr. James L. Clark, sculptor and collector of the American Museum of Natural History, passed through Shanghai end of last week, on his way back to the United States after completing a successful expedition to Indo-China, where specimens of wild oxen, giant water buffalo, mouse deer, civet cats, in addition to many smaller animals, fishes and birds were secured.

Cornelius Vanderbilt, Jr., a member of the rich American family of that name, who has achieved world-wide fame as a journalist, arrived in Shanghai this week after making a tour of Japan. He will tour North China and then proceed across Siberia. It is his first trip to the Far East. He is accompanied by Major John G. O'Brien, a member of his staff, and is collecting material for a newspaper syndicate of which he is the owner.

The number of unemployed in the 14 leading Chinese industrial cities is 2,565,813 persons, according to the *Sin Wan Pao*. These unemployed workers are distributed in the following cities: Shanghai, 610,710; Peiping, 500,935; Tientsin, 18,175; Tsingtao, 104,500; Hangchow, 74,313; Hankow, 64,835; Wuchang, 23,405; Hanyang, 45,151; Changsha, 106,956; Chungking, 96,650; Nanking, 161,476; Wusih, 35,000; Soochow, 93,486; Canton, 630,230.

Dr. Z. T. Ing departed from Shanghai May 12 on the s.s. *President Jefferson* enroute to Washington, D.C., where he will assume his duties as counsellor to the Chinese Embassy there. Dr. Ing has during the past eight years served as secretary and director of general affairs and member of the Treaty Commission in the Foreign Office in Nanking. Previous to joining the Foreign Office in Nanking, Dr. Ing was professor successively in the University of Nanking, Nanking, and Nankai University, Tientsin.

The death occurred in Vancouver May 11 of Robert Cromie, publisher of the Vancouver *Sun*. Known as a "crusading editor" for many years, he had long taken a lively interest in Far Eastern affairs and led vigorous fights for lower trans-Pacific cable rates and the removal of trade barriers between the nations on each side of the Pacific. He had recently returned from an extensive tour of the Far East and spent considerable time in Shanghai, Nanking, Peiping and other cities of China, as well as in Japan.

Admiral Sir Charles Little, Commander in Chief of the British China Fleet, arrived in Nanking May 7 from Foochow aboard his flagship *H. M. S. Kent*. He made calls on Gen. Ho Ying-chin, Minister of War, and Gen. Chang Chun, Minister of Foreign Affairs in the afternoon and in the evening was entertained at a dinner party given in his honor by R. G. Howe, Councillor of the British Embassy. The following evening he was the guest of honor at a dinner party by Admiral Chen Shao-kuan, Minister of Navy.

A detailed program for improvement of the quality of, and expansion of the market, both at home and abroad, for native products has been prepared by the Native Products Inspection and Testing Committee. The products to be tested and inspected include, besides cotton and tung oil, some other main categories of native produce such as raw silk, tea, cow and sheep hides, wheat and rice. Competitive examinations will be held at Shanghai, Hankow, Tsingtao and Tientsin, to select the 40 inspectors required to carry on the work.

Systematic raids are being made by the police of Canton on theaters and other places of amusement to see that the women conform with the standard style of dress prescribed by the Central Political Council, which decreed that women's dresses should cover the knee, the neck and the elbow. Any woman refusing a policeman's order to go home and change into clothes deemed suitable is escorted to police headquarters and fined. The law against mixed bathing is also being strictly enforced. Owing to the uproar caused by the police methods, the regulations were altered so that the inspection is to be carried out by women.

Greater Shanghai's New Fish Market Is Opened—Nantao Dealers Oppose

The new Fish Market of the Municipality of Greater Shanghai was formally opened May 11 by Tu Yueh-sen, Chairman of the Executive Committee of the market. The new Fish Market is located on the Point Island near Yangtszepoo, and is well equipped with the latest refrigeration system and scientific planning.

Difficulty has been encountered by the managers of the market owing to the refusal of 12 fish hongs on the Nantao Bund to accept booths in the new establishment. The hongs carry on a big business every year and it is considered by the Government authorities that their co-operation is essential to the success of the enterprise in Yangtszepoo. The Nantao hong owners contend that the 3.5 per cent commission promised by the market is insufficient to carry on a profitable business. They also object to the location of the new market.

U.S. Will Probably Buy Silver in China to Complete Program

The United States Treasury needs 730,000,000 ounces of silver, in addition to the visible stocks held on April 30, in order to complete their requirements for the silver program, according to official figures issued in Washington May 8.

Visible Treasury holdings on April 30 amounted to 1,910,000,000 ounces valued at $2,465,000,000 or an increase of somewhat less than 28,000,000 ounces for April. In addition, the Treasury may have silver in the Stabilization Fund, in transit or stored abroad, so that, it is pointed out, the purchase of a large amount of Chinese silver, the result of current negotiations, might well advance the purchasing program to the verge of completion.

U.S.-China Accord on Silver and Foreign Exchange Would Benefit China

Monetary experts in Washington, May 8, said that the conclusion of an accord on silver and foreign exchange between China and the United States would be the most timely contribution to China's financial welfare. Consummation of such an agreement would benefit China largely because of her recent unfavorable trade balance, it was said.

A telegram from Washington May 11 stated that the discussions between the Chinese delegation headed by K. P. Chen, managing director of the Shanghai Commerical and Savings Bank, and the officials of the U. S. Treasury had been completed, but Secretary of the Treasury Morgenthau intimated that the terms may be kept secret.

The subject of the current conversations, it is believed, was the extent to which the United States can help China in the management of her currency. It was announced that the conference on silver matters had been protporced.

The *China Times* May 9 stated that the Japanese report to the effect that K. P. Chen, Managing-Director of the Shanghai Commercial and Savings Bank, is negotiating with the American government for a loan of commodities is regarded as absolutely groundless by well-informed circles here.

The *Shanghai Mainichi* May 7 gave the following as the details of the proposed arrangement with the U.S. :—

1.—To stabilize China's currency, America will not only do her best to uphold the silver price of the world but will aim to raise it. If America will use China's currency system, China will embrace both the Gold and Silver standards.

2.—As the original Cotton and Wheat Loan of G.$50,000,000 had been curtailed to G.$20,000,000, the other G.$30,000,000 will be used for cotton and materials for railways and other construction Works Loan, on the understanding that T. V. Soong is to replace Dr. H. H. Kung as Minister of the Financial Department.

Report of U.S.-China Silver Agreements Said to Be Premature

Current reports that two agreements concerning respectively the price of silver and the pegging of the Chinese dollar to the American dollar will soon be signed in Washington were said to be premature by financial circles in Nanking May 10. It was pointed out that K. P. Chen, who has been carrying on conversations with Henry Morgenthau, American Finance Secretary, has been sending back reports from time to time, and judging from the latest reports received the time is not yet ripe for any such agreements as reported.

National Government Budgetary Estimate Will Show Increases Over Last Year

The general budgetary estimate for the 25th fiscal year compiled by the Comptroller-General's Office of the National Government, will shortly be submitted to the Central Political Council for approval. It is understood that both the estimated revenue and expenditure for the 25th fiscal year beginning from July 1, 1936, and ending June 30, 1937, show a slight increase over those for the 24th fiscal year, which amounted to more than $957,000,000.

Chekiang Tries to Raise $800,000 Loan from Banks in Hangchow

Following an unsuccessful effort to secure a loan from Shanghai, Cheng Yuan-fan, Commissioner of Finance for Chekiang, returned to Hangchow last week to negotiate for a loan with banks in Hangchow. The Hangchow branches of the Bank of China and Bank of Communications are requested to advance a sum of $800,000 against $1,400,000 Chekiang Provincial Bonds, but it is understood that the two banks are referring the matter to their Head Offices in Shanghai.

Nanking Agrees to Canton Embargo of Gold

In an order issued at Nanking May 7 the Central Government made public its approval of the decision of the Kwangtung Provincial Government in connection with the embargo of gold from the province.

Hunan's Budget Shows Reduction in Expenditure

Hunan's budget for the 25th fiscal year (July, 1936-June, 1937), amounting to $15,720,000, was approved by the Provincial Government Committee at a meeting May 6. Compared with the current fiscal year, the figures show a reduction of $860,000 in expenditure.

CUSTOMS NOTIFICATION NO. 1510.

The public is hereby informed that a form of certificate to cover confiscated goods sold at auction by the Customs has been introduced to enable purchasers of such goods to convey them elsewhere. This certificate will be issued only when a merchant, having purchased goods from the Customs, applies in writing for the issue of a certificate to cover his cargo and states in his application the destination of the cargo and the time required for transportation there.

After delivery of the goods at destination, the certificate is to be returned for cancellation to the issuing Custom House.

PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 5th May, 1936.

CUSTOMS NOTIFICATION NO. 1512.

With reference to previous Notifications concerning the duty treatment of broken rice, the public is hereby notified that in accordance with Government instructions, beginning from the 11th April, 1936, all broken rice is to be dutiable at the same rate as unbroken rice.

Import duty on mixtures of bran and broken rice will be calculated according to the quantity of each constituent of the mixture.

Mixtures of broken and unbroken rice will, for purposes of import duty assessment, be considered as rice.

The proportions of broken rice and bran in mixtures thereof will be determined by weight.

H. O. TONG,
Superintendant of Customs.

PAUL BARENTZEN,
Commissioner of Customs

CUSTOM HOUSE,
Shanghai, 6th May, 1936.

CUSTOMS NOTIFICATION No. 1513

With reference to previous Notifications issuing regulations to govern the movement of silver dollars and other forms of silver, the public is now informed that the above regulations do not apply to subsidiary silver coins, which, for the time being, are still allowed to remain in circulation, and that the following supplementary instructions have been issued by the Government:—

(*a*) Passengers travelling in the interior of China (as opposed to those travelling between coastal districts) may carry subsidiary silver coins up to a maximum of 300 pieces per head, of either 10-cent or 20-cent denomination, in accordance with the instructions of Notification No. 1393.

(*b*) Passengers travelling along the coast of China should in principle carry with them the recently issued (nickel) subsidiary coins; but in places where these new coins are scarce, and where subsidiary notes issued by the Central Bank of China, the Bank of China, the Bank of Communications or the Farmers Bank of China are not in circulation, such passengers will temporarily be permitted to carry with them up to a maximum of 60 subsidiary silver coin pieces per head, of either 10-cent or 20-cent denomination.

(*c*) Officers and crews of vessels moving anywhere within China may carry subsidiary silver coins up to a maximum of 60 pieces per head, of either 10-cent or 20-cent denomination.

(*d*) As an exception to the three preceding paragraphs, passengers (and officers and crews of vessels) entering or leaving the province of Chekiang may carry with them not more than 50 subsidiary silver coin pieces per head, of either 10-cent or 20-cent denomination; but passengers travelling solely within the province of Chekiang (provided they are moving in interior districts) may carry with them up to 300 subsidiary silver coins in accordance with the provisions of (*a*) above.

(*e*) Subsidiary silver coins may be exported abroad without covering Huchao; but such shipments are liable to export duty at the rate of 10 per cent. *ad valorem* and to equalisation charge, in accordance with the instructions of Notification No. 1389.

(*f*) The ruling of Notification No. 1455, whereby passengers and crews on sea-going junks were allowed to carry up to a maximum of 100 standard silver dollars per junk, has been cancelled in view of the introduction of legal tender notes. Subsidiary coins carried on junks should in principle be confined to the nickel coins recently minted; but in places where such coins are scarce, and where subsidiary notes issued by the four banks mentioned in (*b*) above are not in circulation, passengers and crews on sea-going domestic trading junks (plying between places on the coast of China) may temporarily be allowed to carry up to a maximum of 120 subsidiary silver coin pieces per junk, of either 10-cent or 20-cent denomination.

(*g*) Passengers entering or leaving the province of Chekiang may carry with them not more than 1,000 1-cent copper coins per head; but passengers travelling elsewhere in China (or moving solely within the province of Chekiang) may carry with them up to a maximum of 5,000 1-cent copper coins per head, in accordance with the ruling of Notification No. 1393.

H. O. TONG,
Superintendent of Customs.
PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 7th May, 1936.

New Books of Interest in the Far East

A Handbook of Chinese Art

Introduction to Chinese Art, By Arnold Silcock, 265 pp. illus., Oxford University Press (Mr. Mitford), Amen House, Warwick Sq., London, E.C. 4; 6s.

This is an admirable book, admirably suited to its purpose, which, as the author candidly states, is to be "an introduction" to the appreciation of Chinese art. In Mr. Silcock's own words: "Books about Chinese art are scarce, and those for the general reader who is interested in it are scarcer still. This is literally an introduction to the subject: an attempt to provide a simple picture of the environment and age-long development of a great people and a noble art". In this aim, Mr. Silcock has indeed succeeded. It is surprising how much solid information he has packed into the small compass of this 265-page volume, yet nothing of genuine importance seems to have been omitted. Furthermore, this is no dry-as-dust assemblage of cold facts; the development of China's aesthetic history rolls easily and graphically off the author's pen, era by era and dynasty by dynasty, with such a clear-cut narrative that the reader's interest never flags. Political and artistic history are well combined to show their natural inter-relations. Mr. Silcock has endeavored to do a novel and practical thing, also, in linking the history of China with that of western civilizations, showing the parallelism of developments and periods in each, both in his narrative and by the "Tables of Concurrent World Events" in the Appendix. Even in the end papers the book gives something of value: the first shows a map of "China in Antiquity"; the last, a map of "China in Historical Times". The chapters are written in a delightful style, lucid, expressive and cultivated. Mr. Silcock evidently is full of enthusiasm for his subject, having steeped himself in the beauty of this oriental art which he has studied, not only in European museums in company with European scholars, but on the home terrain, having travelled extensively in China. Consequently he is able to awaken an enthusiastic interest in his readers.

Particularly happy, to this reviewer at least, were the chapters on the prehistoric era, contemporaneous with the Mousterian and Aurignacian periods in Europe. Study of primitive art in this country is particularly important, for, as the author states, "here there seems to be a deathless capacity for survival which appears to belong exclusively to China. Nothing invented there seems ever to be irretrievably lost". From these dim times come, in almost unchanged form, the art motifs still used—the yang yin, the eight trigrams and the dragon, as well as the three-legged tripod and painted funerary urn which influenced the style of the early bronzes. From the time of the legendary kings come the arts of bronze casting, picture-writing, bone and wood carving, when the ceremonies of a crude nature-worship, allied with ancestor worship, caused the manufacture of libaton vases, wine cups, incense burners, and bone, shell and horn inscriptions for divination. The remarkable similarities in the Chinese remains of early times to those of Sumerian cultures, recently excavated, lead some scientists to suspect they had common sources.

Very interesting is the author's tracing of the deep influence of religion on Chinese art: not only in the early nature worship, but in the following cult of Laotze, whose disappearance into the Blessed Isles of the Far West is often depicted; and his Tao, which, "rich with a southern wealth of imagery and innumerable dieties and fairies", furnished an inexhaustible lore for both literature and art. Later came Buddhism, with its imprint of foreign influences: Hellenic, Indo-Sythian, Persian and Hindu, and furnished significant themes for the Golden Age of Chinese art, the Tang and Sung eras. The cult of Kwan Yin alone produced innumerable lovely paintings and sculptures. The Ch'an school of Buddhism (which the Japanese call Zen) deeply impressed the artists of Tang and Sung, and through them, the art of Japan.

Cave shrines and funerary structures are almost the only types of architecture which have survived, due to the Chinese use of impermanent timber instead of the brick or stone found in most other great civilizations. A strong Indian influence may be traced in Chinese architecture, the cave shrines having come from similar types in the south, the pagoda stemming from the Indian stupa and the pailou from Hindu prototypes.

Two arts are peculiar to China: 1, monochrome ink brush drawing, allied with calligraphy; 2, manufacture of fine porcelain; both of these are sympathetically and adequately treated in this book.

The Tang and Sung eras are fully and appreciatively described, but it seemed to this reviewer that the author was a little brusque in dismissing Ming and Ching art as having degenerated into richness of color, prettiness and sophistication. True, later art had not the magnificent sweep of the Tang, nor the exquisite perfection of Sung, but in porcelain and painting, the Ming era also surely deserves its share of praise.

So succinct and full of information is this little book that it might well be used as a textbook of Chinese art; in short, it may

be unreservedly recommended to the ordinary individual who is no sinologue but is genuinely interested in things Chinese.

M. W.

A. D. Rugh Points Out Inaccuracies of Review of "In These Times"

The Editor, *China Weekly Review*:—

I regret the necessity of pointing out a number of serious inaccuracies which your reviewer "M" made in his review of "In These Times" printed in your issue of April 18

The primary purpose of this book is to present contemporary material on Chinese problems that would be useful for classwork in first and second year college English. An attempt was made to include as many Chinese authors as possible. This is all clearly stated in the introduction but the reviewer labored under the false impression that this is an anthology for the general reader and consequently his remarks are hardly relevant To what extent it is succeeding in its purpose may be seen from the fact that it is already in use at five Chinese universities and others are planning on using it this coming fall

Regarding the organization of material, anyone studying the table of contents can see that the items (of which there are 36, not 336!) are grouped in this order: General, Political, Women, Family, Education, Sports, Journalism, Miscellaneous, and concludes with an unusually fine article on "The Value of Freedom." In selecting this material "almost as diversified as modern life," it is practically impossible to fit it into a more logical sequence than the life it represents without being decidedly artificial. Furthermore it is expected that teachers will pick and choose in using this material.

The few poems included were put in as filler and to break up the continuity of journalistic prose. Unfortunately the reviewer shot his big guns at this filler and several of the shorter articles of secondary importance. His charge of "numerous typographical errors" lacks supporting evidence. I challenge him to find two errors as serious as the two in his review of the book. I can say without boasting that this is the cleanest text I have seen come off a north China press, since I was not responsible for the proofing.

As stated in the book, this is an experiment as an English text. We welcome constructive criticism on it from all who study it in the light of its primary purpose or who use it as a text. Anyone who is at all acquainted with the output of English texts at present in China knows there is a real need for competent and critical reviews. I hope *The Review* will print reviews in this field up to the standard of the other reviews in its Book Department.

Yenching University,
Peiping West, May 1, 1936. A. D. RUGH.

Literary Notes

The death occurred in Munich, Germany, May 8, of Oswald Spengler, well-known German philosopher, at the age of 56. He was best known for his work "Decline of the West," which twice has been translated into English and into many other languages.

Pearl S. Buck contributed an article on "A Debt to Dickens" to *The Saturday Review of Literature* (issue of April 4.)

The *Hua Chiao Tsing Nien Hui* is the name of the official organ of the Chinese Y.M.C.A. in the Netherlands India. It is published in the Malay language and is directed by a board of editors with head offices in Soerabaia.

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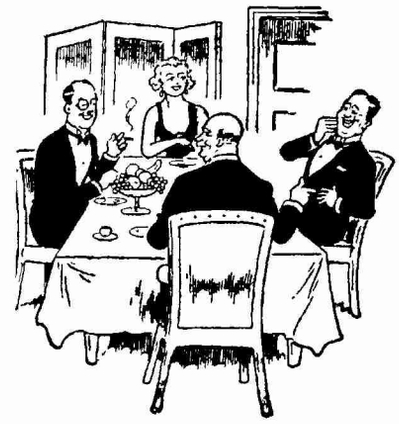
Chinese Government Asks Britain to Recall Consul General at Kunming

A *Central News* telegram from Nanking May 7 stated that the Foreign Office in a note to the British Embassy had asked for the recall of H. I. Harding, British Consul General at Kunming, who had allegedly assaulted three boy scouts with his walking stick. In the meantime the Chinese Government has withdrawn his exequatur (the authorization from the government to which an official is assigned authorizing him to act). In addition to the recall of Mr. Harding, the note also demanded appropriate compensation for the injuries of the three persons assaulted by him.

Yokohama Police Arrest American Wanted for Fraud

Yokohama Water Police April 28 boarded the s.s. *Golden Hind* upon her arrival in Yokohama from the United States, to arrest Cyrus Loewenstein, wanted in California on charges of grand larceny. Loewenstein carried a Nicaraguan passport issued to one Salvador Rico. A request for Loewenstein's arrest was received from the United States authorities, who stated that he had mulcted banks, stores and wealthy residents of San Joaquin County, Calif., of more than $30,000.



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The National City Bank of New York, Rates of Exchange

Shanghai, May 13, 1936

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Demand selling rate on London:	£1.00=Sh. $16.77
Demand buying rate on Londod:	£1.00=Sh. $16.52